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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)

DISCLOSEABLE TRANSACTION
FACTORING AGREEMENT

FACTORING AGREEMENT

The Board announces that, on 31 May 2024 (after trading hours), Suneast Intelligent Shenzhen (a wholly-owned subsidiary of the Company) and Sino IC Commercial Factoring entered into the Factoring Agreement, pursuant to which Sino IC Commercial Factoring agreed to provide financing being secured by accounts receivable assigned to Suneast Intelligent Shenzhen for a period of 36 months from the date of signing of the Factoring Agreement with the factoring principal amount of RMB 45,000,000. The Company (being the holding company of Suneast Intelligent Shenzhen) and Sino IC Commercial Factoring entered into the Guarantee Agreement to provide joint and several guarantees to Sino IC Commercial Factoring to realise its claims under the Factoring Agreement as detailed in the paragraph headed “Guarantee Agreement” in this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules exceed(s) 5% but is less than 25%, the transaction contemplated under the Factoring Agreement and the Guarantee Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. It is therefore subject to the reporting and announcement requirements of the Listing Rules.

The Board announces that, on 31 May 2024 (after trading hours), Suneast Intelligent Shenzhen (a wholly-owned subsidiary of the Company) and Sino IC Commercial Factoring entered into the Factoring Agreement, pursuant to which Sino IC Commercial Factoring agreed to provide financing being secured by accounts receivable assigned to Suneast Intelligent Shenzhen for a period of 36 months from the date of signing of the Factoring Agreement with the factoring principal amount of RMB 45,000,000.

FACTORING AGREEMENT

The principal terms of the Factoring Agreement are set out below:

- Date : 31 May 2024 (after trading hours)
- Parties : (i) Suneast Intelligent Shenzhen; and
(ii) Sino IC Commercial Factoring
- Type of facility : Non-revolving
- Financing term : 36 months from the date of signing of the Factoring Agreement
- Factoring limit : A maximum amount of up to RMB45,000,000
- Transfer of accounts receivable : Sino IC Commercial Factoring has agreed to provide accounts receivable factoring service for Suneast Intelligent Shenzhen with a factoring principal amount of up to RMB45,000,000, in return for (i) factoring interest income; and (ii) transfer of all rights and interests attached to the accounts receivables of Suneast Intelligent Shenzhen, including, amongst others, right to collect overdue interest, liquidated damages, compensation, late payment fees and other related payments, security interests and insurance interests.
- Payment terms : Suneast Intelligent Shenzhen may apply to Sino IC Commercial Factoring for a drawdown at any time within the financing term and the financing limit. Sino IC Commercial Factoring shall determine whether to accept the transfer of such accounts receivables of Suneast Intelligent Shenzhen in exchange for the provision of the relevant financing by Sino IC Commercial Factoring to Suneast Intelligent Shenzhen. Drawdown under the Factoring Agreement by Suneast Intelligent Shenzhen is subject to, among others:-
- (i) the publication of this announcement and the obtaining of the approval of the Board to enter into the Factoring Agreement and the Guarantee Agreement and the transaction contemplated thereunder;
 - (ii) the obtaining of the necessary internal approval from the board of directors of Suneast Intelligent Shenzhen ;
 - (iii) the completion of internal assessment procedures of Sino IC Commercial Factoring;
 - (iv) the completion of relevant administrative and filing procedures in the PRC; and
 - (v) the execution of the Guarantee Agreement by the Company and Sino IC Commercial Factoring.

- Interest rate : Taking into account the relevant policies and regulations, market capital supply and demand conditions in the PRC, and the structural characteristics of specific factoring products under the Factoring Agreement, both parties reached an agreement to adopt a 7% fixed annual interest rate that will not be adjusted during the financing period with no financing service fee being chargeable.
- Payment of interest : Interest shall be calculated on a daily basis and paid on a quarterly basis.
- Overdue interest : If Suneast Intelligent Shenzhen fails to (i) repay the financing principal and interest under this Factoring Agreement, (ii) repurchase accounts receivable, or (iii) pay any amount owed to Sino IC Commercial Factoring on time and in full pursuant to the Factoring Agreement, it shall pay overdue interest on such outstanding and overdue amount at a rate of 0.05% per day from the date which the relevant payment is overdue.
- Repurchase : Sino IC Commercial Factoring shall be entitled to issue a repurchase notice to Suneast Intelligent Shenzhen to exercise its right of recourse and require Suneast Intelligent Shenzhen to repurchase the outstanding account receivables if, among others, any of the following events occur: -
- (i) Sino IC Commercial Factoring did not recover the factoring financing principal in full at the maturity date for the accounts receivables;
 - (ii) the account receivables are the subject of a commercial dispute;
 - (iii) Suneast Intelligent Shenzhen experienced, among other things, being taken over, placed under receivership, reduction of capital, being merged, reorganised, divided, suspension in business operation, liquidation, being wound-up, change of controlling shareholder or controlling person, material transfer of assets, suspension of business, penalized by competent authority, involved in material legal disputes, difficulties in business operations, deterioration of financial situation and/or any reason whatsoever, and is unable to perform its obligations under the agreement, and is unable to provide any remedial measures to rectify the situation; and
 - (iv) breach of the Factoring Agreement.
- Sino IC Commercial Factoring shall no longer be required to pay the remaining sum of the financing principal with respect to the relevant outstanding account receivables and Suneast Intelligent Shenzhen shall pay the repurchase fees to Sino IC Commercial Factoring (being the principal amount of the outstanding accounts receivables and interests incurred by the outstanding accounts receivable) owed by Suneast Intelligent Shenzhen.

GUARANTEE AGREEMENT

On 31 May 2024, the Company (the holding company of Suneast Intelligent Shenzhen) and Sino IC Commercial Factoring entered into the Guarantee Agreement to provide joint and several guarantees to Sino IC Commercial Factoring to realise its claims under the Factoring Agreement. The term of guarantee provided by the Company under the Guarantee Agreement commences from the maturity date of the relevant amount payable by Suneast Intelligent Shenzhen to Sino IC Commercial Factoring under the Factoring Agreement becoming due and payable, and ends upon expiry of two years after the date of the discharge of all obligation by Suneast Intelligent Shenzhen under the Factoring Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The entering into of the Factoring Agreement and the Guarantee Agreement helps to optimise the financial structure of the Group. The factoring proceeds will be used for the working capital of the Group. The terms of the Factoring Agreement and the Guarantee Agreement have been agreed upon after arm's length negotiations between the relevant parties. The Directors consider that the terms of the Factoring Agreement and the Guarantee Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Group

The Company and its subsidiaries are principally engaged in surface mount technology equipment manufacturing and sales of electricity and provision of electricity spot market transaction and auxiliary services.

Suneast Intelligent Shenzhen

Suneast Intelligent Shenzhen is a wholly-owned subsidiary of the Company established in the PRC. It is engaged in the SMT equipment manufacturing business and provides customers with SMT and semiconductor packaging equipment solutions and financial solutions.

Sino IC Commercial Factoring

Sino IC Commercial Factoring is a wholly-owned subsidiary of Sino IC Leasing (Shenzhen) Co., Limited*(芯鑫融資租賃(深圳)有限公司, “**Sino IC Leasing (Shenzhen)**”) established in the PRC with limited liability. Sino IC Leasing (Shenzhen) is a company established in the PRC with limited liability and is owned 99.79% by Sino IC Leasing and 0.21% by Sino ICT Investment Holding Co., Limited, which is an indirect wholly-owned subsidiary of the Company. Sino IC Commercial Factoring is mainly engaged in commercial factoring business.

Sino IC Leasing is a company established in the PRC with limited liability and is principally engaged in finance leasing and other leasing business. Sino IC Leasing is owned by approximately 13.89% of Zhejiang Honghu Semi-conductor Industrial Group Limited* (浙江鴻鵠半導體產業集團有限責任公司) (“**Zhejiang Honghu Semi-conductor**”) and approximately 86.11% by 20 other entities, amongst which, no individual entity owned over 10% equity interest in Sino IC Leasing.

Zhejiang Honghu Semi-conductor is a company established in the PRC with limited liability and is principally engaged in technology development and consultancy. Zhejiang Honghu Semi-conductor is owned as to 99.9% by Jiaxing Qixin Equity Investment Partnership (Limited Partnership)*(嘉興海之芯股權投資合夥企業(有限合夥)) (“**Jiaxing Haizhixin**”) 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:

- (i) Zhejiang Honghu Mingrui Corporate Management Limited*(浙江鴻鵠明睿企業管理有限責任公司) is the general partner of Jiaxing Haizhixin and is owned as to 40% by Honghu Yuanzhi, which is in turn owned by Haizhixin (Zhuhai Hengqin) Corporate Management Consulting Co., Ltd.* (海之芯(珠海橫琴)企業管理諮詢有限責任公司) (“**Haizhixin Zhuhai Hengqin**”) and Honghu (Zhuhai Hengqin) Corporate Management Partnership (Limited Partnership)*(鴻鵠(珠海橫琴)企業管理合夥企業(有限合夥)) (“**Honghu Zhuhai Hengqin**”), Haizhixin Zhuhai Hengqin and Honghu Zhuhai Hengqin are owned by several natural persons, amongst whom, no individual natural person owned over 20% equity interest;
- (ii) Jiaxing Haizhixin is owned as to approximately 37.92% collectively by Jiaxing Municipal Government Equity Investment Fund Co., Ltd.* (嘉興市政府股權投資基金有限公司) (“**Jiaxing Municipal Government Fund**”) and Haining City Industrial Investment Group Co., Ltd.* (海寧市實業產業投資集團有限公司) (“**Haining City Industrial**”), being the single largest group of limited partners of Jiaxing Haizhixin 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 Haizhixin; and
- (iii) The ultimate beneficial owners of Jiaxing Municipal Government Fund and Haining City Industrial are the Financial Bureau of Jiaxing City* (嘉興市財政局) and the 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.

Mr. Yuan I-Pei, an executive director and the chairman of the Board, is a director and the executive vice president of Sino IC Leasing; Mr. Xia Yuan, an executive director and chief executive officer of the Company, is the executive president of Sino IC Leasing. Given both Mr. Yuan I-Pei and Mr. Xia Yuan’s positions in Sino IC Leasing, for the avoidance of any potential conflict of interest, the directors above abstained from voting at the meeting of the Board to the approval of the Factoring Agreement and the Guarantee Agreement. In addition, Mr. Li Jinxian, a non-executive director of the Company, voluntarily abstained from voting at the meeting of the Board concerning the approval of the Factoring Agreement and Guarantee Arrangement to avoid a potential conflict of interest from a good corporate governance perspective.

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

IMPLICATIONS UNDER THE LISTING RULES

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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;
“Connected person(s)”	has the meaning ascribed to in under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Factoring Agreement”	A factoring agreement dated 31 May 2024 entered into between Suneast Intelligent Shenzhen and Sino IC Commercial Factoring after trading hours;
“Guarantee Agreement”	A guarantee agreement dated 31 May 2024 was entered into between the Company and Sino IC Commercial Factoring after trading hours;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the PRC, which for this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and the region commonly called Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;

“Shareholder(s)”	holder(s) of issued share(s) of the Company;
“Sino IC Commercial Factoring”	Sino IC Commercial Factoring Co., Limited* (芯鑫商業保理(深圳)有限責任公司), a company established in the PRC with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Suneast Intelligent Shenzhen”	Suneast Intelligent Equipment Technology (Shenzhen) Co., Limited, a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“%”	per cent.

* *For identification purposes only.*

By Order of the Board
Sino ICT Holdings Limited
Yuan I-Pei
Chairman

Hong Kong, 31 May 2024

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