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**SINO-i TECHNOLOGY LIMITED**  
**中國數碼信息有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 250)**

**CONTINUING CONNECTED TRANSACTION —  
INFORMATION SERVICE FRAMEWORK AGREEMENT**

**INFORMATION SERVICE FRAMEWORK AGREEMENT**

On 30 May 2018 (after trading hours), the Company entered into the Information Service Framework Agreement with Nan Hai, pursuant to which, the Company and/or its subsidiaries agreed to provide certain information products and services to Nan Hai Group from 1 June 2018 to 31 December 2019.

The Information Service Framework Agreement will replace and supersede in its entirety the Nan Hai Information Service Framework Agreement entered into between Xinnet and Nan Hai on 10 January 2017 (as referred to in the announcement of the Company dated 10 January 2017) and the Nan Hai Supplemental Agreement entered into between Xinnet and Nan Hai dated 30 August 2017 (as referred to in the announcement of the Company dated 30 August 2017).

As referred to in the announcement of the Company dated 10 January 2017, on 10 January 2017, Xinnet also entered into the GD Cinema Circuit Information Service Framework Agreement with GD Cinema Circuit. Further, as referred to in the announcement of the Company dated 30 August 2017 (“**August 2017 Announcement**”), on 30 August 2017, Xinnet and GD Cinema Circuit entered into the GD Cinema Circuit Supplemental Agreement (as defined in the August 2017 Announcement) to increase the annual caps. The GD Cinema Circuit Information Service Framework Agreement and the GD Cinema Circuit Supplemental Agreement shall remain in full force and effect.

## **LISTING RULES IMPLICATIONS**

As Nan Hai is the holding company of the Company, Nan Hai is a connected person of the Company. Therefore the transactions under the Information Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, Ms. Liu, a director of both the Company and Nan Hai, owns 80% of Dadi Century Beijing, which directly owns 82.49% equity interest of GD Cinema Circuit, and has an effective control of 12.95% equity interest of GD Cinema Circuit through Dadi Legend, which is an associate of Ms. Liu. In addition, Mr. YCH, an associate of Mr. YPH (a director of the Company and Nan Hai), owns 20% of Dadi Century Beijing. Given the foregoing, GD Cinema Circuit is a connected person of the Company and the transactions under the GD Cinema Circuit Information Service Framework Agreement and the GD Cinema Circuit Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As Nan Hai and GD Cinema Circuit are connected with each other and the Information Service Framework Agreement, the GD Cinema Circuit Information Service Framework Agreement and the GD Cinema Circuit Supplemental Agreement are of a similar nature, the annual caps of the continuing connected transactions under the above-mentioned agreements will be aggregated for the purpose of calculating the percentage ratios in accordance with Rule 14A.81 of the Listing Rules. As the applicable percentage ratios for the transactions contemplated under the Information Service Framework Agreement, the GD Cinema Circuit Information Service Framework Agreement and the GD Cinema Circuit Supplemental Agreement (as aggregated) exceed 0.1% but less than 5%, the transactions contemplated under the Information Service Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **I. INFORMATION SERVICE FRAMEWORK AGREEMENT**

On 30 May 2018 (after trading hours), the Company entered into the Information Service Framework Agreement with Nan Hai, details of which are set out below:

The Information Service Framework Agreement will replace and supersede in its entirety the Nan Hai Information Service Framework Agreement entered into between Xinnet and Nan Hai on 10 January 2017 (as referred to in the announcement of the Company dated 10 January 2017) and the Nan Hai Supplemental Agreement entered into between Xinnet and Nan Hai dated 30 August 2017 (as referred to in the announcement of the Company dated 30 August 2017). The individual information service agreements entered into under the Nan Hai Information Service Framework Agreement and the Nan Hai Supplemental Agreement will continue to have effect and such individual agreements will be subject to the Information Service Framework Agreement. The reason for the abovementioned replacement is that apart from Xinnet, other members of the Group will be providing information products and services to

certain members of the Nan Hai Group and the Group has broadened the variety of the information products and services to be provided to certain members of the Nan Hai Group.

As referred to in the announcement of the Company dated 10 January 2017, on 10 January 2017, Xinnet also entered into the GD Cinema Circuit Information Service Framework Agreement with GD Cinema Circuit. Further, as referred to in the announcement of the Company dated 30 August 2017, on 30 August 2017, Xinnet and GD Cinema Circuit entered into the GD Cinema Circuit Supplemental Agreement to increase the annual caps. The GD Cinema Circuit Information Service Framework Agreement and the GD Cinema Circuit Supplemental Agreement (as defined in the August 2017 Announcement) shall remain in full force and effect.

**Date**

30 May 2018

**Parties**

- (a) The Company; and
- (b) Nan Hai

**Information Service**

Pursuant to the Information Service Framework Agreement, the Company agreed to provide (or procure its subsidiaries to provide) to Nan Hai Group certain information products and services including enterprise postal services, office internet connection services, server co-location, ISP (internet service provider), IDC (internet data center) related services, cloud services and cloud value added services, software technology and development and other technical services. The Company and/or its subsidiaries will enter into individual information service agreements with members of Nan Hai Group, setting out specific terms including term, consideration of the information service and payment terms. Such terms will be consistent with the principles and terms of the Information Service Framework Agreement.

**Term**

The Information Service Framework Agreement will commence from 1 June 2018 to 31 December 2019 (both days inclusive). The term of each individual information service agreement to be entered into under the Information Service Framework Agreement will be valid from 1 June 2018 to 31 December 2019 with the exact term determined by each individual agreement.

## Pricing Policy and Payment

The products and services fee under the transactions contemplated under the Information Service Framework Agreement shall be determined by arm's length commercial negotiations according to the principles of fairness and reasonableness between relevant parties with reference to the market price for sale of similar information products and services to independent third parties during the same period.

The products and services fee shall be paid by cash in accordance with the terms of each individual information service agreement to be entered into under the Information Service Framework Agreement.

## Historical Figures and the Annual Caps

The following table sets out the historical information products and services fees paid by Nan Hai Group to the Company and its subsidiaries for the following periods:

	<b>For the year ended 31 December 2015 HK\$'000</b>	<b>For the year ended 31 December 2016 HK\$'000</b>	<b>For the year ended 31 December 2017 HK\$'000</b>	<b>For the four months ended 30 April 2018 (approximately)* HK\$'000</b>
Total Consideration	1,314	2,355	3,899	1,420

\* *The total consideration for the one month ended 31 May 2018 is estimated to be HK\$1,607,000. It is expected that the aggregate total consideration for the five months ended 31 May 2018 will be approximately HK\$3,027,000. Such amount does not exceed the annual cap of HK\$6,000,000 for the period ending 31 December 2018 as set out in the Nan Hai Supplemental Agreement (as defined in the August 2017 Announcement).*

The following table sets out the proposed annual caps of the transaction amount in respect of the information products and services provided to Nan Hai Group by the Company and/or its subsidiaries under the Information Service Framework Agreement:

	<b>For the seven months from 1 June 2018 to 31 December 2018 HK\$'000</b>	<b>For the year ending 31 December 2019 HK\$'000</b>
Total consideration	22,000	29,000

The annual caps are determined with reference to:

1. the historical transaction amount for the information products and services provided by the Company and/or its subsidiaries to Nan Hai Group in the past;

2. the increase in the range of information products and services to be provided by the Group to the Nan Hai Group and increase in information products/service cost; and
3. the expected increase in the need of information products and services by Nan Hai Group.

The Directors (including the independent non-executive Directors) consider that the above proposed annual caps under the Information Service Framework Agreement are fair and reasonable.

## **II. REASONS FOR AND BENEFITS OF THE INFORMATION SERVICE FRAMEWORK AGREEMENT**

The Company and/or its subsidiaries will be able to earn stable income through the provision of certain information products and services pursuant to the Information Service Framework Agreement.

The terms of the Information Service Framework Agreement have been agreed upon arm's length negotiations between the Company and Nan Hai.

The Directors (including the independent non-executive Directors) are of the view that (i) the continuing connected transactions contemplated under the terms of the Information Service Framework Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) the terms of the Information Service Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) the proposed annual caps of the transactions contemplated under the Information Service Framework Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **III. INTERNAL CONTROL MEASURES FOR THE CONTINUING CONNECTED TRANSACTIONS**

To safeguard the interest of the Group, the Group will adopt the following internal control measures:

1. the relevant personnel of the Group will closely monitor the aggregate transactions of the Group under the Information Service Framework Agreement to ensure that the total consideration does not exceed the stipulated annual caps;
2. prior to entering into an information service agreement contemplated under the Information Service Framework Agreement, the relevant personnel of the Group will ensure the products and services fee are negotiated on arm's length basis, with reference to the prevailing products and services fee of comparable information products and service provided to at least two independent third parties during the same period;
3. the management of the Company and/or its subsidiaries, with reference to the terms of agreements in respect of comparable information products and service provided to other independent third parties, will examine each information products and

service agreement entered into with Nan Hai Group and ensure the products and services fee are fair and reasonable, on normal commercial terms and on terms not less favourable than those entered into with independent third parties;

4. the relevant personnel of the Group will conduct regular checks to review and assess whether the transactions contemplated under the relevant continuing connected transactions are conducted in accordance with the terms set out in the respective Information Service Framework Agreement and whether the consideration for the transaction are fair and reasonable and in accordance with the pricing policies set out in the Information Service Framework Agreement;
5. the Company's external auditors will conduct an annual review of the transactions entered into under the Information Service Framework Agreement to ensure the transactions amount are within the annual caps and the transactions are in accordance with the terms set out in the Information Service Framework Agreement; and
6. the Company's independent non-executive Directors will conduct an annual review of the status of the information products and services provided by the Group to ensure the Group has complied with internal approval process, the terms of the Information Service Framework Agreement and the relevant Listing Rules.

#### **IV. INFORMATION ON THE PARTIES**

##### **The Company**

The Company is an investment holding company whose securities are listed and traded on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of enterprise cloud services.

##### **Nan Hai**

Nan Hai is an investment holding company whose securities are listed and traded on the Main Board of the Stock Exchange. Nan Hai Group is principally engaged in (i) culture and media services (mainly in cinema business on a nationwide basis in the PRC in addition to film distribution and other media related businesses); (ii) property development, and (iii) enterprise cloud services (through the Group). In the meantime, the Nan Hai Group has achieved steady growth in its new business sector concerning internet lifestyle platform and innovative business. As at the date of this announcement, Nan Hai, through a number of wholly-owned subsidiaries, holds approximately 64.47% of the issued share capital of the Company.

#### **V. LISTING RULES IMPLICATIONS**

As Nan Hai is the holding company of the Company, Nan Hai is a connected person of the Company. Therefore the transactions under the Information Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, Ms. Liu, a director of both the Company and Nan Hai, owns 80% of Dadi Century Beijing, which directly owns 82.49% equity interest of GD Cinema Circuit, and has an effective control of 12.95% equity interest of GD Cinema Circuit through Dadi Legend, which is an associate of Ms. Liu. In addition, Mr. YCH, an associate of Mr. YPH (a director of the Company and Nan Hai), owns 20% of Dadi Century Beijing. Given the foregoing, GD Cinema Circuit is a connected person of the Company and the transactions under the GD Cinema Circuit Information Service Framework Agreement and the GD Cinema Circuit Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As Nan Hai and GD Cinema Circuit are connected with each other and the Information Service Framework Agreement, the GD Cinema Circuit Information Service Framework Agreement and the GD Cinema Circuit Supplemental Agreement are of a similar nature, the annual caps of the continuing connected transactions under the above-mentioned agreements will be aggregated for the purpose of calculating the percentage ratios in accordance with Rule 14A.81 of the Listing Rules. As the applicable percentage ratios for the transactions contemplated under the Information Service Framework Agreement, the GD Cinema Circuit Information Service Framework Agreement and the GD Cinema Circuit Supplemental Agreement (as defined in the August 2017 Announcement) (as aggregated) exceed 0.1% but less than 5%, the transactions contemplated under the Information Service Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **VI. BOARD'S APPROVAL**

The Board has approved the Information Service Framework Agreement. Since Mr. YPH has material interest in the Information Service Framework Agreement, he has abstained from voting on the relevant meeting of the Board to approve the Information Service Framework Agreement. Except Mr. YPH, no Director has a material interest in the transaction contemplated under the Information Service Framework Agreement.

## **VII. DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Company”	Sino-i Technology Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Stock Exchange (stock code: 250)
“connected person(s)”	has the meaning given to it under the Listing Rules



“Dadi Century Beijing”	大地時代文化傳播(北京)有限公司 (Dadi Century Culture Media (Beijing) Company Limited*), a company incorporated in the PRC, which is an associate of Ms. Liu (as executive director) and holds 82.49% of equity interest of GD Cinema Circuit
“Dadi Legend”	北京大地傳奇投資合夥企業(有限合夥) (Beijing Dadi Legend Investment Partnership (Limited Partnership)*), a company incorporated in the PRC, which is an associate of Ms. Liu (an executive Director) and holds 12.95% equity interest of GD Cinema Circuit
“Director(s)”	the director(s) of the Company
“GD Cinema Circuit”	廣東大地電影院線股份有限公司 (GD Cinema Circuit Company Limited*), a company incorporated in the PRC, and is a connected person of the Company
“GD Cinema Circuit Group”	GD Cinema Circuit, its shareholders, and its subsidiaries
“GD Cinema Circuit Information Service Framework Agreement”	the information service framework agreement entered into between Xinnet and GD Cinema Circuit on 10 January 2017, pursuant to which Xinnet shall provide to GD Cinema Circuit Group certain information products and services in accordance with the terms thereunder
“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 PRC
“independent third party(ies)”	any person(s) or companies and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and connected persons of the Company
“Information Service Framework Agreement”	the information service framework agreement entered into between the Company and Nan Hai on 30 May 2018 pursuant to which the Group shall provide to Nan Hai Group certain information products and services in accordance with the terms thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange



“Mr. YCH”	Mr. Yu Cheung Hoi (于常海先生), elder brother of Mr. YPH, who is not a substantial shareholder or director or chief executive of the Company or any of its subsidiaries
“Mr. YPH”	Mr. Yu Pun Hoi (于品海先生), a controlling shareholder of the Company and the chairman and executive director of Nan Hai and the executive director of the Company
“Ms. Liu”	Ms. Liu Rong (劉榮女士), an executive director of both the Company and Nan Hai, but she is not a substantial shareholder of the Company and its subsidiaries
“Nan Hai”	Nan Hai Corporation Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Stock Exchange (stock code: 680), the holding company and a connected person of the Company
“Nan Hai Group”	Nan Hai and its subsidiaries (excluding the Group)
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Xinnet”

北京新網數碼信息技術有限公司 (Beijing Xinnet Cyber Information Company Limited\*), a limited liability company incorporated in the PRC and is effectively 100% controlled by XWHT through various structured agreements, and is deemed as a subsidiary of XWHT pursuant to the Companies Ordinance, Chapter 622 of the Laws of Hong Kong

“XWHT”

新網華通信息技術有限公司 (Xinnet Technology Information Company Limited\*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company

\* For identification purposes only

By the order of the Board  
**Sino-i Technology Limited**  
**Liu Rong**  
*Chairlady*

Hong Kong, 30 May 2018

*As at the date of this announcement, the Directors are as follows:*

*Executive Directors:*

Ms. Liu Rong  
Mr. Yu Pun Hoi  
Mr. Chen Ming Fei

*Non-executive Director:*

Mr. Lam Bing Kwan

*Independent non-executive Directors:*

Mr. Fung Wing Lap  
Prof. Jiang Ping  
Mr. Xiao Sui Ning