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SINO-I TECHNOLOGY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 250)

DISCLOSEABLE TRANSACTION

On 18 April 2005, the Company as vendor, Long Success Group Limited as purchaser and Mr. Yu as guarantor entered into the Agreement for the disposal of the entire issued share capital of each of South Port and First Foundation, both wholly owned subsidiaries of the Company, for a total cash consideration of RMB212,000,000.

The Disposal constitutes a discloseable transaction for the Company under rule 14.06(2) of the Listing Rules. A circular containing details of the Disposal will be sent to the shareholders of the Company as soon as practicable.

AGREEMENT

Date: 18 April 2005

Parties:

Vendor: The Company

Purchaser: Long Success Group Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company

Guarantor: Mr. Yu

Principal Provisions of the Agreement:

1. Subject to and upon the terms and conditions of the Agreement, the Company agreed to dispose of and the Purchaser agreed to acquire the entire issued share capital of each of South Port and First Foundation at a total cash consideration of RMB212,000,000.

2. Mr. Yu has also given a personal guarantee to the Purchaser in respect of the Proceedings (as defined and described below), the principal terms of which are described in the section headed "Acesite" below.

Information relating to assets to be disposed of:

(1) South Port

South Port is a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company. As at the date of this announcement, South Port holds the entire issued share capital of Acesite and 40% of the total issued stock capital of CIMA Realty. Other than such interests, South Port holds no other assets.

Based on the management accounts, the net asset value of South Port and its subsidiaries as at 30 June 2004, 31 December 2003 and 31 March 2003 were approximately HK\$78,152,000, HK\$72,513,000 and HK\$55,232,000 respectively. The net profit of South Port and its subsidiaries before and after taxation and extraordinary items for the six months ended 30 June 2004 was approximately HK\$8,491,030 and HK\$5,608,654 respectively. The net profit before and after net taxation credit and extraordinary items for the nine months ended 31 December 2003 were approximately HK\$14,234,000 and HK\$19,859,000 respectively. The net profit before and after taxation and extraordinary items for the year ended 31 March 2003 were approximately HK\$1,264,000 and HK\$187,000 respectively.

(2) CIMA Realty

CIMA Realty is a company incorporated in the Philippines with limited liability, 40% of the issued share capital of which is owned by South Port and the remaining 60% of the issued stock capital of which is beneficially owned by an independent third party. CIMA Realty is principally engaged in property holding whose sole asset is a parcel of land site having a gross area of about 6,500 sq.m. held under Transfer Certificate of Title No. 184100 of the office of the Register of Deeds for the City of Manila. The Property is situated on this site which is leased by CIMA Realty to Acesite (Phils.) Hotel for the operation of the Manila Pavilion Hotel.

The audited net asset value of CIMA Realty (prepared in accordance with accounting principles generally accepted in the Philippines) as at 31 March 2004 and 31 March 2003 were approximately HK\$9,039,000 and HK\$9,426,000 respectively. The audited net profits of CIMA Realty before and after taxation and extraordinary items (prepared in accordance with accounting principles generally accepted in the Philippines) for the year ended 31 March 2004 were approximately HK\$206,000 and HK\$140,000 respectively. The audited net profit before and after taxation and extraordinary items (prepared in accordance with accounting principles generally accepted in the Philippines) for the year ended 31 March 2003 were approximately HK\$244,000 and HK\$238,000 respectively.

(3) *Acesite*

Acesite is a company incorporated in the British Virgin Islands and was the holder of 74,889,231 ordinary shares in Acesite (Phils.) Hotel, representing 75% of its total issued stock capital, which were mortgaged by Acesite in favour of a bank as security for a loan facility granted to Genius Reward Company Limited, an associate of the Company, 50% of the total issued share capital of which is held by a wholly owned subsidiary of the Company and the other 50% of which is held by an independent third party. In February 2003, the bank purported to sell all such mortgaged shares to a third party purchaser. Acesite initiated court proceedings (“Proceedings”) against the bank and that third party purchaser to contest the disposal and to have the disposal declared null and void on the ground that the bank, in its purported disposal of the mortgaged shares, is, among other things, in breach of an earlier restructuring agreement and the mortgage, and hence such purported disposal were considered unlawful. The claim of Acesite has been dismissed and Acesite is appealing against the decision. Currently, the legal action is pending before the Supreme Court in Manila.

Pursuant to the Agreement, Mr. Yu has personally guaranteed to the Purchaser that, in the event that the purported disposal of the mortgaged shares by the bank is not declared null and void under the Proceedings; or no damages is ultimately awarded by a court in respect of such purported disposal; or the damages awarded are less than the total consideration of RMB212,000,000, he shall, within 10 days from the date of the final judgment or such other time period agreed between the Purchaser and him, pay to the Purchaser the sum of RMB212,000,000 or the shortfall between that sum and the damages awarded (as the case may be). The Purchaser also irrevocably agreed that, if the circumstances that trigger Mr. Yu’s payment obligation as described above occur, the Purchaser may only claim against Mr. Yu for payment in the manner described, but may not claim or take any other action (including legal proceedings) against the Company for compensation or for the refund of all or any part of the consideration under the Disposal.

(4) *Acesite (Phils.) Hotel*

Acesite (Phils.) Hotel owns the Property and is principally engaged in the operation of the hotel under the name of “Manila Pavilion Hotel” in Manila, the Philippines. The ordinary stocks of Acesite (Phils.) Hotel are currently listed on the Philippines Stock Exchange.

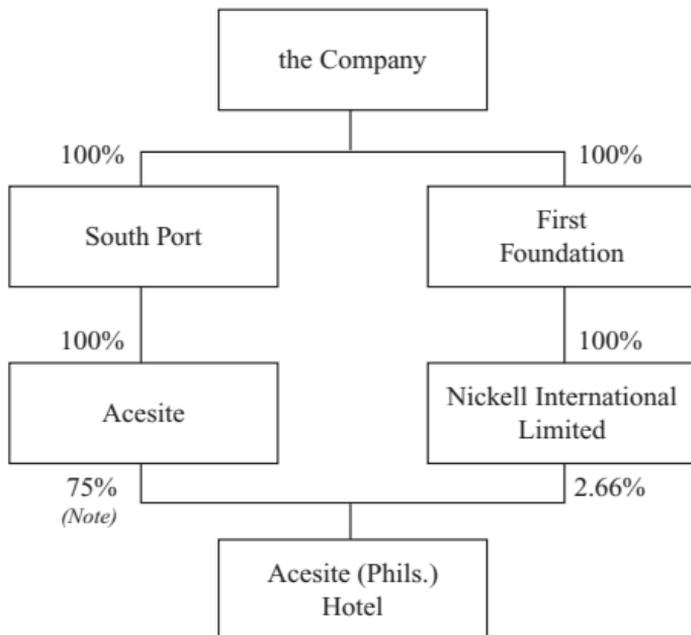
The audited net asset value of Acesite (Phils.) Hotel (prepared in accordance with accounting principles generally accepted in the Philippines) as at 31 December 2003 and 31 March 2003 were approximately HK\$151,549,000 and HK\$155,938,000 respectively. The audited net profits of Acesite (Phils.) Hotel before and after taxation and extraordinary items (prepared in accordance with accounting principles generally accepted in the Philippines) for the nine months ended 31 December 2003 were approximately HK\$5,850,000 and HK\$1,712,000 respectively. The audited net losses before and after taxation and extraordinary items (prepared in accordance with accounting principles generally accepted in the Philippines) for the year ended 31 March 2003 were approximately HK\$8,377,000 and HK\$9,199,000 respectively.

(5) *First Foundation*

First Foundation is a company incorporated in the British Virgin Islands and, through its wholly owned subsidiary, is interested in 2,658,234 ordinary shares in Acesite (Phils.) Hotel, representing about 2.66% of its total issued stock capital, all of which shares are free from encumbrances and third party rights. Other than such interest, First Foundation holds no other assets.

Based on the management accounts, the net asset value of First Foundation and its subsidiary as at 30 June 2004, 31 December 2003 and 31 March 2003 were approximately HK\$5,978,000, HK\$5,978,000 and HK\$6,008,000 respectively. The net loss of First Foundation and its subsidiary before and after taxation and extraordinary items for the six months ended 30 June 2004 was both approximately HK\$1,000. The net loss before and after taxation and extraordinary items for the nine months ended 31 December 2003 was both approximately HK\$30,000. The net loss before and after taxation and extraordinary items for the year ended 31 March 2003 was both approximately HK\$10,000.

Current structure of the group of companies under the Disposal:



Note: The 75% interest is the subject of the Proceedings, details of which are described in the section headed "Acesite" above.

Consideration:

The total consideration is a sum of RMB212,000,000, which was arrived at after arm's length negotiations among the parties taking into account the parties' assessment of the Proceedings and the related claims, the asset values of Acesite (Phils.) Hotel and CIMA Realty.

Payment Terms

The total consideration shall be paid in cash as follows:

RMB53,000,000 has been paid prior to the date of signing of the Agreement as deposit, and the remaining balance of RMB159,000,000 is payable on the date of completion or such other date as the parties may agree.

The deposit of RMB53,000,000 may be forfeited by the Company if the Purchaser fails to settle in full the balance of the total consideration in the sum of RMB159,000,000 on the date of completion or such other date as the parties may agree.

Conditions

Completion is conditional upon:

- (a) the Purchaser's due diligence investigation on South Port, Acesite, First Foundation and their subsidiaries, including their shareholding structure, group structure, financial position, operations and litigation, and all signed contracts, agreements, deeds and other documents (including all information related to the Proceedings), having been completed and the Purchaser having issued a written notice that it is satisfied with the results of such due diligence investigation within 1 business day of completion of the investigation;
- (b) the Company having reported the Disposal to the regulatory authorities in accordance with the Listing Rules, and having obtained clearance of the announcement in respect of the Disposal; and
- (c) the Board having approved the Disposal.

The Purchaser may waive the conditions in (a) and (c) above. If all the conditions have not been fulfilled or waived by 5:00 p.m. on 21 April 2005 or such other time/date as the parties may agree, the Agreement shall lapse without prejudice to the liability of a defaulting party in respect of any antecedent breaches of the terms of the Agreement.

Completion

Completion is expected to take place on or before 5 May 2005 or such other date as the parties may agree.

REASONS FOR THE DISPOSAL

The Company aims to focus on information technology businesses and developments, and provision of financial information services. The Disposal allows the Company to streamline its operations, and reduce any future needs to allocate any additional financial resources to its non-core businesses. Moreover, the proceeds from the Disposal would bring cash inflow to finance the Company's principal businesses. It is expected that the Company would incur a consolidated loss of approximately HK\$300,000 as a result of the Disposal.

The Board is of the view that the terms and conditions of the Agreement, including the consideration, are fair and reasonable and the Disposal is in the interests of the Company and its shareholders as a whole.

USE OF PROCEEDS

All the sale proceeds receivable under the Agreement will be used as working capital for the Company and its subsidiaries.

INFORMATION ON THE COMPANY

The Company and its subsidiaries are principally engaged in information technology business, provision of financial information and related services, distance learning and application services, property investment and development and, through its listed subsidiary, South Sea Holding Company Limited, is principally engaged in property development; and design and marketing of consumer packaged electronics.

INFORMATION ON THE PURCHASER

To the knowledge of the Directors, the principal business activity of the Purchaser is investment holding.

GENERAL

The Disposal constitutes a discloseable transaction for the Company under rule 14.06(2) of the Listing Rules. A circular containing details of the Disposal will be sent to the shareholders of the Company as soon as practicable.

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Yu Pun Hoi and Mr. Zhang Hong Ren; three non-executive Directors, namely Mr. Li Shilin, Mr. Luo Ning and Mr. Lam Bing Kwan and three independent non-executive Directors, namely Mr. Chan Lap Stanley, Mr. Fung Wing Lap and Mr. Qin Tian Xiang.

DEFINITIONS

"Acesite"

Acesite Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is held by South Port; Acesite was the holder of 74,889,231 ordinary shares in Acesite (Phils.) Hotel, representing 75% of its total issued stock capital, which were mortgaged in favour of a bank who purported in February 2003 to sell all of such mortgaged shares to a third party purchaser

“Acesite (Phils.) Hotel”	Acesite (Phils.) Hotel Corporation, a company incorporated in the Philippines with limited liability, the shares of which are listed on the Philippines Stock Exchange
“Agreement”	the conditional sale and purchase agreement dated 18 April 2005 entered into among the Company as vendor, the Purchaser and Mr. Yu as guarantor in respect of the Disposal
“Board”	the board of Directors
“CIMA Realty”	CIMA Realty (Phils) Inc., a company incorporated in the Philippines with limited liability, 40% of the issued share capital of which is owned by South Port and the remaining 60% of the issued stock capital of which is beneficially owned by an independent third party; and the registered owner of a parcel of land site under Transfer Certificate of Title No. 184100 of the office of the Register of Deeds for the City of Manila on which Manila Pavilion Hotel is situated, having a gross area of about 6,500 sq.m.
“Company”	Sino-i Technology Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Disposal”	the proposed disposal of the entire issued share capital of each of South Port and First Foundation pursuant to the Agreement
“First Foundation”	First Foundation Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yu”	Mr. Yu Pun Hoi, the chairman of the Company and an executive Director, who, together with his associates, are one of the substantial shareholders of the Company currently interested in 8,702,325,316 shares, representing about 43.7% of the total issued share capital of the Company and hold a short position in 8,658,325,316 shares of the Company
“Property”	the property owned by Acesite (Phils.) Hotel, comprising a 22-storey standard-class hotel building with a total gross floor area of approximately 63,107 sq.m., being operated under the name of Manila Pavilion Hotel, which is erected on a parcel of land site in Manila owned and leased by CIMA Realty

“Purchaser”	Long Success Group Limited, a company incorporated in the British Virgin Islands with limited liability and the purchaser under the Agreement, which, together with its ultimate beneficial owner, are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, third parties independent of the Company and connected persons of the Company
“South Port”	South Port Development Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Zhang Hong Ren
Director

Hong Kong, 18 April 2005

Please also refer to the published version of this announcement in China Daily.