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If you are in doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sino-i Technology Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

MAJOR AND CONNECTED TRANSACTION
LOAN EXTENSION
AND
NOTICE OF GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders



建泉融資有限公司
VBG Capital Limited

A letter from the Board is set out on pages 5 to 13 of this circular. A letter from the Independent Board Committee containing its recommendation is set out on page 14 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 24 of this circular.

A notice convening the GM (as defined herein) to be held at Salon 1-3, Level 3, JW Marriott, Pacific Place, 88 Queensway, Hong Kong on Thursday, 30 May 2019 immediately after the conclusion or adjournment of the annual general meeting of the Company held on 30 May 2019 is set out on pages 35 to 36 of this circular. A form of proxy for use in connection with the GM is enclosed with the circular. Whether or not you intend to attend the GM, please complete and return the enclosed form of proxy in accordance with the instructions printed hereon to the share registrar of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the GM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the GM (or any adjourned meeting thereof) should you so wish.

8 May 2019

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DEFINITIONS

In this circular, unless the contents otherwise requires, the following expressions have the meanings as set out below:

“Advance”	the loan in the principal amount of HK\$1,645,530,000 advanced by the Company to Nan Hai pursuant to the Loan Agreement
“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Company” or “Lender”	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) and a non-wholly owned subsidiary of Nan Hai
“connected person(s)”	has the meaning given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fifth Supplemental Agreement”	the conditional loan extension agreement entered into between the Company as lender and Nan Hai as borrower on 2 May 2017 in relation to the extension of the repayment date for the remaining outstanding principal under the Loan Agreement (as supplemented by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement and the Fourth Supplemental Agreement) for two (2) years from 30 June 2017 to 29 June 2019
“First Supplemental Agreement”	the conditional loan extension agreement entered into between the Company as lender and Nan Hai as borrower on 20 May 2011 in relation to the extension of the repayment date for the outstanding principal under the Loan Agreement for two (2) years from 30 June 2011 to 29 June 2013
“Fourth Supplemental Agreement”	the conditional loan extension agreement entered into between the Company as lender and Nan Hai as borrower on 30 April 2015 in relation to the extension of the repayment date for the outstanding principal under the Loan Agreement (as supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement) for two (2) years from 30 June 2015 to 29 June 2017
“GFA”	gross floor area

DEFINITIONS

“GM”	the general meeting of the Company to be convened and held at Salon 1–3, Level 3, JW Marriott, Pacific Place, 88 Queensway, Hong Kong on Thursday, 30 May 2019 immediately after the conclusion or adjournment of the annual general meeting of the Company held on 30 May 2019 to consider and, if thought fit, approve the Sixth Supplemental Agreement and the transactions contemplated 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 Board Committee”	the independent committee of the Board, comprising Prof. Jiang Ping and Mr. Fung Wing Lap, the independent non-executive Directors, established for the purpose of making recommendations to the Independent Shareholders in respect of the Sixth Supplemental Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “VBG Capital”	VBG Capital Limited, a corporation licensed by the Securities and Futures Commission to Conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholders”	Shareholders other than Nan Hai and its associates
“Latest Practicable Date”	30 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listar”	Listar Properties Limited, a company incorporated in the British Virgin Islands, which is an indirect wholly-owned subsidiary of Nan Hai
“Listar Sale Shares”	10,200,000 shares of US\$1.00 each in Listar, representing 51% of its issued share capital
“Listar Share Mortgage”	the share mortgage executed by Nan Hai as mortgagor in favour of the Company as mortgagee by way of first fixed charge in respect of the Listar Sale Shares as a continuing security for the payment by Nan Hai of the Advance and all interest accrued thereon

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement entered into between the Company as lender and Nan Hai as borrower on 29 May 2009 in relation to the Advance
“LWD”	Liu Wan Development (BVI) Company Limited, a company incorporated in the British Virgin Islands, which is an indirect wholly-owned subsidiary of Nan Hai
“Nan Hai” or “Borrower”	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 immediate holding company and a connected person of the Company as defined under the Listing Rules
“Nan Hai Development”	Nan Hai Development Limited, a company incorporated in Hong Kong which is a wholly-owned subsidiary of Nan Hai
“Nan Hai Group”	Nan Hai and its subsidiaries
“NHD Share Mortgage”	the share mortgage executed by Nan Hai as mortgagor in favour of the Company as mortgagee by way of first fixed charge in respect of the NHD Shares as a continuing security for the payment by Nan Hai of the Outstanding Principal (or any part thereof) and all interest accrued thereon
“NHD Shares”	3,000,000,002 shares having paid up capital of HK\$3,000,000,002 in Nan Hai Development, representing 100% of its issued share capital
“Outstanding Principal”	the outstanding principal being owed by Nan Hai to the Company under the Loan Agreement (as supplemented by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement) (i.e. approximately HK\$1,005,858,000 as at the Latest Practicable Date)
“PRC”	the People’s Republic of China, for the purposes of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Second Supplemental Agreement”	the agreement entered into between the Company as lender and Nan Hai as borrower on 31 October 2012 in relation to variation of certain terms and provisions of the Loan Agreement (as supplemented by the First Supplemental Agreement)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as may be amended from time to time
“Share(s)”	ordinary shares of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Sixth Supplemental Agreement”	the conditional loan extension agreement entered into between the Company as Lender and Nan Hai as borrower on 21 March 2019 in relation to the extension of the repayment date for the Outstanding Principal for two (2) years from 30 June 2019 to 29 June 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Supplemental Agreement”	the conditional loan extension agreement entered into between the Company as lender and Nan Hai as borrower on 9 May 2013 in relation to, among other things, the extension of the repayment date for the outstanding principal under the Loan Agreement (as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) for two (2) years from 30 June 2013 to 29 June 2015
“sq.m.”	square meter(s)
“%”	per cent.

For the purpose of this circular, unless otherwise indicated, the exchange rate of RMB0.8548 = HK\$1 has been used for currency translation, where applicable. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ or RMB has been, could have been or may be converted at such or any other rates.



SINO-i TECHNOLOGY LIMITED
中國數碼信息有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 250)

Executive Directors:

Ms. LIU Rong (*Chairlady*)
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

Registered office:

12/F., The Octagon
No. 6 Sha Tsui Road
Tsuen Wan
New Territories
Hong Kong

8 May 2019

To the Shareholders

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION
LOAN EXTENSION

I. INTRODUCTION

References are made to: (1) the joint announcement of the Company and Nan Hai dated 29 May 2009 and the circular of the Company dated 12 June 2009 in relation to the Advance made by the Lender to the Borrower pursuant to the Loan Agreement; (2) the announcement dated 20 May 2011 and circular dated 10 June 2011 of the Company in relation to the extension of the repayment of the outstanding principal for two (2) years from 30 June 2011 to 29 June 2013 pursuant to the First Supplemental Agreement; (3) the announcement dated 31 October 2012 and circular dated 21 November 2012 of the Company in relation to (i) variation of the security under the Loan Agreement (as supplemented by the First Supplemental Agreement) by substituting the Listar Share Mortgage with NHD Share Mortgage, and (ii) release of the Listar Share Mortgage pursuant to the Second Supplemental Agreement; (4) the announcement dated 9 May 2013 and circular dated 24 May 2013 of the Company in relation to the second extension of the repayment of the outstanding principal for two (2) years from 30 June 2013 to 29 June 2015 pursuant to the Third Supplemental Agreement; (5) the announcement dated 30 April 2015 and circular dated 18 May 2015 of the Company in

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relation to the third extension of the repayment of the outstanding principal for two (2) years from 30 June 2015 to 29 June 2017 pursuant to the Fourth Supplemental Agreement; and (6) the announcement dated 2 May 2017 and circular dated 26 May 2017 of the Company in relation to the fourth extension of the repayment of the outstanding principal for two (2) years from 30 June 2017 to 29 June 2019 pursuant to the Fifth Supplemental Agreement.

As of the Latest Practicable Date, the Outstanding Principal and outstanding accrued interest are approximately HK\$1,005,858,000 and HK\$147,710,000 respectively, which are being secured by the NHD Share Mortgage.

The Sixth Supplemental Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. As Nan Hai is the immediate holding company of the Company, the Sixth Supplemental Agreement also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the Sixth Supplemental Agreement will be subject to the approval of the Independent Shareholders at the GM (i.e. Nan Hai and its associates shall abstain from voting at the GM).

The purposes of this circular are to provide you, among other things:

- (i) further information on the Sixth Supplemental Agreement and the transactions contemplated thereunder;
- (ii) a letter of advice containing the recommendations from the Independent Board Committee to the Independent Shareholders in relation to the Sixth Supplemental Agreement and the transactions contemplated thereunder;
- (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to Sixth Supplemental Agreement and the transactions contemplated thereunder; and
- (iv) the notice of the GM.

LETTER FROM THE BOARD

II. THE SIXTH SUPPLEMENTAL AGREEMENT

On 21 March 2019 after trading hours, the Company and Nan Hai entered into the Sixth Supplemental Agreement under which the Company conditionally agreed to extend the due date of repayment of the Outstanding Principal by Nan Hai to the Company under the Loan Agreement (as supplemented by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement) for a period of two (2) years from 30 June 2019 to 29 June 2021, the material terms and conditions of which are set out below:

Date

21 March 2019

Parties

- (1) Lender: The Company
- (2) Borrower: Nan Hai

Outstanding Principal

Approximately HK\$1,005,858,000.

Extension of Repayment of the Outstanding Principal

The due date for repayment of the Outstanding Principal shall be extended for two (2) years from 30 June 2019 to 29 June 2021.

Interest Rate

8.0% per annum during the extension period which shall accrue from day to day, be calculated on the basis of the actual number of days lapsed and a 365-day year, and be paid in arrears when the Outstanding Principal (or the relevant part thereof) shall be repaid/prepaid. The interest rate of 8.0% per annum was also applied in the Fifth Supplemental Agreement. When determining the interest rate in the Sixth Supplemental Agreement, the Board also considers current prime lending rate adopted by the Hong Kong and Shanghai Banking Corporation Limited, which was between 5% and 5.125% as at the date of the Loan Agreement and the Latest Practicable Date. Hence, in the Company's opinion, the interest rate of 8.0% per annum under the Sixth Supplemental Agreement is fair and favourable to the Company.

Default Interest Rate

10% per annum on the default amount, which shall accrue from day to day on the basis of a 365-day year commencing from and including the due date of payment to the date of actual payment. The default interest rate of 10% per annum was also applied in the Fifth Supplemental Agreement. When determining the default interest rate in the Sixth Supplemental Agreement, the Board also considers current prime lending rate adopted by

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the Hong Kong and Shanghai Banking Corporation Limited, which was between 5% and 5.125% as at the date of the Loan Agreement and the Latest Practicable Date. Hence, in the Company's opinion, the default interest rate of 10% per annum under the Sixth Supplemental Agreement is fair and favourable to the Company.

Security

Repayment of the Outstanding Principal and outstanding accrued interest will continue to be secured by share mortgage (by way of first fixed charge) in respect of the NHD Shares, representing 100% of the issued share capital of Nan Hai Development. Details of Nan Hai Development are set out below.

Conditions

The Sixth Supplemental Agreement is conditional upon:

- (a) Nan Hai having settled in full the outstanding interest accrued on the Outstanding Principal on or before 29 June 2019, being approximately HK\$160,937,000 up to 29 June 2019; and
- (b) the Independent Shareholders having approved the Sixth Supplemental Agreement and the transactions contemplated thereunder in accordance with the provisions of the Listing Rules.

If the conditions set out above are not fulfilled by 29 June 2019, or such later date as the parties may agree, the Sixth Supplemental Agreement will be null and void and of no further effect.

Save as amended by the Sixth Supplemental Agreement, all other terms and provisions of the Loan Agreement (as supplemented by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement) shall remain unchanged and in full force and effect and binding on both the Lender and the Borrower.

III. INFORMATION ON THE PARTIES

Nan Hai Development

Nan Hai Development is an investment holding company incorporated in Hong Kong with limited liability, which directly holds 100% of the issued share capital of LWD and 100% of the issued share capital of Listar.

LWD ultimately holds 100% equity interest in a property project namely "The Peninsula" in Shenzhen City, Guangdong Province, the PRC. "The Peninsula" is a large-scale residential property development project and consists of five phases. "The Peninsula" occupies a total site area of approximately 313,000 sq.m., with a total GFA of approximately 873,000 sq.m.. As per the valuation report dated 19 March 2019 issued by an independent valuer to Nan Hai, the total value of "The Peninsula" as of 31 December

LETTER FROM THE BOARD

2018 was approximately RMB16,532,000,000 (equivalent to approximately HK\$19,340,197,000). Listar ultimately holds 100% equity interest in a property project namely “Free Man Garden” in Guangzhou City, Guangdong Province, the PRC. “Free Man Garden” is a large-scale residential property development project and consists of eight phases. “Free Man Garden” occupies a total site area of approximately 615,000 sq.m., with a total GFA of approximately 1,033,000 sq.m.. As per the valuation report dated 19 March 2019 issued by an independent valuer to Nan Hai, the total value of “Free Man Garden” as of 31 December 2018 was approximately RMB8,510,000,000 (equivalent to approximately HK\$9,955,545,000).

Nan Hai

Nan Hai is an investment holding company whose securities are listed and traded on the Main Board of the Stock Exchange. The Nan Hai Group is principally engaged in (i) culture and media services (mainly in cinemas business on a nationwide basis in the PRC and other media related businesses); (ii) property development; and (iii) enterprise cloud services (through the Group) as at the Latest Practicable Date. In the meantime, the Nan Hai Group has also tapped into the sectors of news media business and innovative business. As at the Latest Practicable Date, Nan Hai, through a number of wholly-owned subsidiaries, holds approximately 59.11% of the issued share capital of the Company.

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.

IV. REASONS FOR AND BENEFITS OF THE SIXTH SUPPLEMENTAL AGREEMENT

As at the Latest Practicable Date, the Outstanding Principal and outstanding accrued interest are approximately HK\$1,005,858,000 and HK\$147,710,000 respectively.

Comparing with the prevailing interest rate for time deposits being offered by banks to the public and the expected return for money market instruments or financial products with acceptable credit risk, the interest rate under the Sixth Supplemental Agreement remains attractive. The Company considers that the Sixth Supplemental Agreement will generate a stable interest income and offer a higher return to the Group when comparing with the interest to be earned by making a Hong Kong dollar time deposit with financial institutions in Hong Kong.

The Group does not have material funding requirement in the next two (2) years despite it will keep on spending in research and development for maintaining the competitiveness of its product lines. As a result, the Group considers the opportunity of gaining the interest at the relatively higher rate of 8.0% per annum from Nan Hai to be beneficial to the Group.

LETTER FROM THE BOARD

A special dividend in respect of the year ended 31 December 2017 of 0.5 HK cents per share, amounting to a total dividend of approximately HK\$99,573,000 was proposed and approved at the annual general meeting of the Company held on 30 May 2018. On 11 July 2018, the Company declared a special dividend of 2.3 HK cents per share, amounting to approximately HK\$458,034,000 in aggregate for shares in issue to the shareholders listed on the register of members of the Company as at 27 July 2018. The Board has not precluded the possibility of distributing idle funds but as of now, no decision has been made in this regard.

In order to demonstrate the cash generating ability of Nan Hai, it has advised us that Phase 4 of “The Peninsula”, Nan Hai’s flagship real estate project, has commenced sale in April 2019. In addition, the cash flow generated from the sales of Phase 3 of “The Peninsula” shall also gradually be realized in 2019 and 2020. As such, Nan Hai expects that it would repay the Outstanding Principal within two years, (i.e. an extra twenty four (24) months from 30 June 2019) but the Company cannot preclude the possibility of further extension depending on the circumstances prevailing at the time like the Group’s need for capital or need for an income stream arising from the interest income from the loan.

The Board has assessed the credit risk associated with the transactions contemplated under the Sixth Supplemental Agreement and considers such credit risk to be low and acceptable to the Group based on the following two reasons:

- (i) Nan Hai Group had been generating net cash from operating activities for the past three financial years ended 31 December 2018, which had demonstrated that it has strong capability to generate operating cash flow to finance its ordinary and usual course of business; and
- (ii) the repayment of the Outstanding Principal and the interest incurred thereof is secured by the share mortgage in respect of the NHD Shares. As disclosed in this circular, Nan Hai Development indirectly holds 100% of each of “The Peninsula” project and “Free Man Garden” project, which, according to independent valuation has a valuation of approximately RMB16,532,000,000 and RMB8,510,000,000, respectively.

The Board (including the independent non-executive Directors based on the advice of the Independent Financial Adviser, but excluding Mr. Yu Pun Hoi, the Director, who is deemed to have interest in Nan Hai and has abstained from voting in the board meeting for considering and approving the Company to enter into the Sixth Supplement Agreement) considers that the Sixth Supplemental Agreement and the transactions contemplated therein are on normal commercial terms and the terms and conditions of the Sixth Supplemental Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole notwithstanding such transactions are not in the ordinary and usual course of business of the Group. Accordingly, the Directors (excluding Mr. Yu Pun Hoi) recommend the Independent Shareholders to vote for the resolution approving the Sixth Supplemental Agreement and the transactions contemplated therein.

As Mr. Xiao Sui Ning, an independent non-executive Director, is also an independent non-executive director of Nan Hai, he is not considered sufficiently independent to give advice or recommendation to the Independent Shareholders in relation to the Sixth Supplemental

LETTER FROM THE BOARD

Agreement. Accordingly, Prof. Jiang Ping and Mr. Fung Wing Lap, the remaining independent non-executive Directors, have been appointed to form the Independent Board Committee to advise the Independent Shareholders, and the Independent Financial Adviser has been appointed to advise the Independent Board Committee in relation to the Sixth Supplemental Agreement.

V. POSSIBLE FINANCIAL EFFECTS OF THE SIXTH SUPPLEMENTAL AGREEMENT

The interest rate stipulated the Sixth Supplemental Agreement is 8.0% per annum during the extension period which shall accrue from day to day, be calculated on the basis of the actual number of days lapsed and a 365-day year, and be paid in arrears when the Outstanding Principal (or the relevant part thereof) shall be repaid/prepaid. As a result, the Sixth Supplemental Agreement will have the following financial effects on the earnings, assets and liabilities of the Group.

Earnings

The Directors expect that the earnings of the Group will be increased by the amount of interest to be received from Nan Hai.

Assets

The amount due from Nan Hai under the Loan Agreement (as supplemented by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement) has been reflected in the Group's 2018 financial statements. The Directors expect that the assets will only be increased by the amount of interest receivables from Nan Hai pursuant to the Sixth Supplemental Agreement.

Liabilities

The Directors do not expect any immediate material effect of the Sixth Supplemental Agreement on the liabilities of the Group.

VI. LISTING RULE IMPLICATIONS

The Sixth Supplemental Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. As Nan Hai is the immediate holding company of the Company, the Sixth Supplemental Agreement also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the Sixth Supplemental Agreement will be subject to the approval of the Independent Shareholders at the GM.

VII. GM AND PROXY ARRANGEMENT

A notice of the GM to be held at Salon 1-3, Level 3, JW Marriott, Pacific Place, 88 Queensway, Hong Kong on Thursday, 30 May 2019 immediately after the conclusion or adjournment of the annual general meeting of the Company held on 30 May 2019 is set out on

LETTER FROM THE BOARD

pages 35 to 36 of this circular. At the GM, the ordinary resolution will be proposed to consider and, if thought fit, to approve the Sixth Supplemental Agreement and the transactions contemplated therein.

Nan Hai and its associates are collectively interested in 12,838,585,316 Shares (representing approximately 59.11% of the total issued Shares), are required to and shall abstain from voting on the ordinary resolution(s) to approve the Sixth Supplemental Agreement and the transactions contemplated thereunder at the GM. As at the Latest Practicable Date, there was (i) no voting trust or other agreement or arrangement or understanding entered into by binding upon each of Nan Hai and its associates; (ii) no obligation or entitlement of each of Nan Hai and its associates, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case by case basis; and (iii) no discrepancy between Nan Hai and its associates' beneficial shareholding interest in the Company as disclosed in this circular and the number of Shares in respect of which Nan Hai and its associates will control or will be entitled to exercise control over the voting right at the GM.

The ordinary resolution to be proposed at the GM to approve the Sixth Supplemental Agreement and the transactions contemplated therein will be determined by way of poll by the Independent Shareholders in accordance with the Listing Rules.

A form of proxy for use in connection with the GM is enclosed with this circular. Whether or not you intend to attend the GM, please complete and return the enclosed form of proxy in accordance with the instructions printed hereon to the share registrar of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event by not less than 48 hours before the time appointed for holding of the GM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the GM (or any adjourned meeting thereof) should you so wish.

Pursuant to the Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll (except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands). Accordingly, the chairman of the GM will arrange all the proposed resolutions set out in the notice of the GM to be voted on by poll. The poll results will be published on the websites of the Company and the Stock Exchange on the day of the GM.

VIII. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 27 May 2019 to 30 May 2019, both days inclusive, during which period no transfer of shares will be effected for the purpose of determining the identity of members who are entitled to attend and vote at the GM. In order to qualify for attending and voting at the GM, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, and Hong Kong not later than 4:30 p.m. on 24 May 2019 for registration.

LETTER FROM THE BOARD

IX. FURTHER INFORMATION

Your attention is also drawn to the “Letter from the Independent Board Committee” as set out in page 14 of this circular, the “Letter from the Independent Financial Adviser” as set out in pages 15 to 24 of this circular and further information contained in the appendices to this circular.

Yours faithfully,
By order of the Board
Sino-i Technology Limited
Liu Rong
Chairlady



SINO-i TECHNOLOGY LIMITED

中國數碼信息有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 250)

8 May 2019

To the Independent Shareholders

Dear Sirs,

**MAJOR AND CONNECTED TRANSACTION
LOAN EXTENSION**

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in respect of the Sixth Supplemental Agreement and the transactions contemplated thereunder, details of which are set out in the circular dated 8 May 2019 (the “**Circular**”) to the Shareholders. VBG Capital has been appointed as the independent financial adviser to advise us in this respect. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

Your attention is drawn to the “Letter from the Board” containing, amongst others, details of the Sixth Supplemental Agreement and the “Letter from the Independent Financial Adviser” containing its advice to us as set out in the Circular.

Having taken into account (i) the factors referred to in the section headed “Reasons for and benefits of the Sixth Supplemental Agreement” in the “Letter from the Board”; and (ii) the factors referred to in the “Letter from the Independent Financial Adviser”, we consider that the terms of the Sixth Supplemental Agreement are fair and reasonable, on normal commercial terms, so far as the interests of the Independent Shareholders are concerned and that the entering into of the Sixth Supplemental Agreement is in the interests of the Company and the Independent Shareholders as a whole, notwithstanding such transactions are not conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Shareholders to vote for the resolution approving the Sixth Supplemental Agreement and the transactions contemplated thereunder.

Yours faithfully,
Fung Wing Lap and Prof. Jiang Ping
Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sixth Supplemental Agreement for the purpose of inclusion in this circular.



建泉融資有限公司
VBG Capital Limited

18/F., Prosperity Tower
39 Queen's Road Central
Hong Kong

8 May 2019

*To: The independent board committee and the independent shareholders
of Sino-i Technology Limited*

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION LOAN EXTENSION

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Sixth Supplemental Agreement, details of which are set out in the “Letter from the Board” contained in the circular dated 8 May 2019 (the “**Circular**”) to the Shareholders, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

Reference is made to the announcement of the Company dated 21 March 2019 (the “**Announcement**”). On even date, the Company and Nan Hai entered into the Sixth Supplemental Agreement pursuant to which the Company conditionally agreed to extend the due date of repayment of the Outstanding Principal by Nan Hai to the Company under the Loan Agreement (as supplemented by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement (collectively, the “**Previous Five Supplemental Agreements**”)) for a period of two years from 30 June 2019 to 29 June 2021.

According to the Letter from the Board, the entering into of the Sixth Supplemental Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. As Nan Hai is the immediate holding company of the Company, the Sixth Supplemental Agreement also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the Sixth Supplemental Agreement is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Mr. Xiao Sui Ning, an independent non-executive Director, is also an independent non-executive director of Nan Hai. Thus, Prof. Jiang Ping and Mr. Fung Wing Lap, being the remaining independent non-executive Directors, have been appointed to form the Independent Board Committee and to advise the Independent Shareholders on (i) whether the terms of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Sixth Supplemental Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the entering into of the Sixth Supplemental Agreement is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Sixth Supplemental Agreement at the GM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Sixth Supplemental Agreement, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Announcement and the Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the GM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Group, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or future prospects of the Group and Nan Hai or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Sixth Supplemental Agreement. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

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Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we did not conduct any independent in-depth investigation into the accuracy and completeness of such information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Sixth Supplemental Agreement, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Sixth Supplemental Agreement

Information on the Group

The Company is an investment holding company whose securities are listed and traded on the Main Board of the Stock Exchange (Stock Code: 250). The Group is principally engaged in the provision of enterprise cloud services.

Set out below is the audited consolidated financial information of the Group for the two years ended 31 December 2018 as extracted from the 2018 annual report of the Company (the “2018 Annual Report”):

	For the year ended 31 December 2018 HK\$'000	For the year ended 31 December 2017 HK\$'000
Revenue	1,012,450	833,245
Profit for the year	375,812	10,022
Net cash generated from operating activities	62,599	13,902
	As at 31 December 2018 HK\$'000	As at 31 December 2017 HK\$'000
Bank borrowings, secured	—	163,344
Cash and cash equivalents	170,417	304,874

As depicted by the above table, revenue of the Group was approximately HK\$1,012.5 million for the year ended 31 December 2018 (2017: HK\$833.2 million), representing an increase of approximately 21.5% over last year. The Group’s net profit for the year ended 31 December 2018 was approximately HK\$375.8 million (2017: HK\$10.0 million), increasing tremendously as compared to last year. Included in the 2018 net profit was a substantial gain of approximately HK\$405.9 million from disposal. During the year ended 31 December 2018, the Group streamlined its business so as to focus its resources

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on enterprise cloud services by disposing a non-wholly owned subsidiary which held a property located in Beijing, the PRC (the “Disposal”). The Disposal was completed on 21 June 2018 at a consideration of HK\$520.6 million.

Information on Nan Hai

With reference to the Letter from the Board, Nan Hai, the controlling shareholder (as defined in the Listing Rules) of the Company, is an investment holding company whose securities are listed and traded on the Main Board of the Stock Exchange (Stock Code: 680). The Nan Hai Group is principally engaged (i) culture and media services (mainly in cinemas business on a nationwide basis in the PRC and other media related businesses); (ii) property development; and (iii) enterprise cloud services (through the Group). In the meantime, the Nan Hai Group has also tapped into the sectors of news media business and innovative business.

We have further reviewed the 2018 annual report of Nan Hai and noted the following key audited financial data of the Nan Hai Group:

	For the year ended 31 December 2018 HK\$'000	For the year ended 31 December 2017 HK\$'000
Revenue	16,789,451	15,900,885
Profit for the year	974,345	1,602,435
Net cash generated from operating activities	2,261,958	4,359,313
	As at 31 December 2018 HK\$'000	As at 31 December 2017 HK\$'000
Net assets	6,955,339	7,195,250

Information on Nan Hai Development

With reference to the Letter from the Board, Nan Hai Development is an investment holding company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Nan Hai.

Upon our discussion with the Directors, we understand that the segment information regarding “property development” as disclosed in the 2018 annual report of Nan Hai represents the financial position of Nan Hai Development as Nan Hai Development is the company within the Nan Hai Group that is directly or indirectly engaged in the property development business. In this relation, we noted that the segment revenue, segment profit before tax, segment assets and segment liabilities of the “property development” segment

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of the Nan Hai Group amounted to approximately HK\$9,908.3 million, HK\$6,018.3 million, HK\$25,408.7 million and HK\$14,765.6 million, respectively, for the year ended 31 December 2018/ as at 31 December 2018 (as the case may be).

Moreover, as referred to in the Letter from the Board, Nan Hai Development indirectly holds 100% of two large scale residential property development projects, namely “The Peninsula” in Shenzhen, the PRC and “Free Man Garden” in Guangzhou, the PRC. “The Peninsula” occupies a total site area of approximately 313,000 sq.m. and a total GFA of approximately 873,000 sq.m. As per the valuation report dated 19 March 2019 issued by an independent valuer to Nan Hai, the total value of “The Peninsula” as at 31 December 2018 was approximately RMB16,532 million (equivalent to approximately HK\$19,340.2 million). Whereas “Free Man Garden” occupies a total site area of approximately 615,000 sq.m. and a total GFA of approximately 1,033,000 sq.m. As per the valuation report dated 19 March 2019 issued by an independent valuer to Nan Hai, the total value of “Free Man Garden” as at 31 December 2018 was approximately RMB8,510 million (equivalent to approximately HK\$9,955.5 million).

Reasons for and possible benefits of the Sixth Supplemental Agreement

As at the Latest Practicable Date, the Outstanding Principal and outstanding interests accrued thereon were approximately HK\$1,005,858,000 and HK\$147,710,000, respectively.

As extracted from the Letter from the Board, comparing with the prevailing interest rate for time deposits being offered by banks to the public and the expected return for money market instruments or financial products with acceptable credit risk, the interest rate under the Sixth Supplemental Agreement remains attractive. The Company considers that the Sixth Supplemental Agreement will generate a stable interest income and offer a higher return to the Group when comparing with the interest to be earned by making a Hong Kong dollar time deposit with financial institutions in Hong Kong.

The Group does not have material funding requirement in the next two years despite that it will keep on spending on research and development for maintaining the competitiveness of its product lines. As a result, the Group considers the opportunity of gaining the interest at the relatively higher rate of 8.0% per annum from Nan Hai to be beneficial to the Group. Nan Hai has advised the Company that Phase 4 of “The Peninsula” has commenced sales in April 2019. In addition, the cashflow from the sales of Phase 3 of “The Peninsula” will gradually be realised in 2019 and 2020. As such, Nan Hai expects to repay the Outstanding Principal within two years from 30 June 2019 but the Company cannot preclude the possibility of further extension depending on the circumstances prevailing at the time like the Group’s need for capital or need for an income stream arising from the interest income from the loan.

Due to the aforesaid reasons and possible benefits, the Directors consider that the entering into of the Sixth Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

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We have independently reviewed the published announcements of the Company on the Stock Exchange from 2017 up to the Latest Practicable Date and did not notice the Group having entered into any legal binding agreement for merger and acquisition or any other transaction which requires substantial capital commitment. Moreover, based on the 2018 Annual Report and our discussion with the Directors, we understand that the Directors on a constant basis make assessment and formulate plans for the Group's business development, and they expect that except for the ongoing spending on research and development to maintain the competitiveness of its product lines, the Group does not have material funding requirement in the next two years. In 2018, the Group has put more efforts on the development of cloud services for corporate digitalisation and smart operation by providing comprehensive IaaS (Infrastructure as a service), cloud application, corporate e-commerce services, "corporate digitalisation transformation" total solutions and big data-based business intelligence cloud service to the PRC market. Going forward, the Group will continue to improve its operational, ground services and online services capability. In respect of product application, the Group will quickly respond to the needs of business scenarios in different industries based on the cloud product model and the "middle structure of business (業務中台)". The Group will also increase its research and development on data centre, cloud computing technology, automatic operation and maintenance technology as well as the big data technology in order to enhance its overall competence.

The Company has last agreed to extend the due date of repayment of the Outstanding Principal on 2 May 2017 by entering into the Fifth Supplemental Agreement conditional upon, among other things, (i) the settlement in full of the interests accrued on the then outstanding principal amount of the loan under the Loan Agreement; and (ii) the partial settlement of the then outstanding principal amount of the loan of HK\$200 million (altogether, the "**Partial Settlement**"), by Nan Hai on or before 29 June 2017. On 28 March 2018, the Company announced that the Board proposed to declare a one-off special dividend of 0.5 HK cents per Share (totaling approximately HK\$99.6 million) (the "**First Special Dividend**") by utilising part of the funds received from the Partial Settlement. The First Special Dividend was paid on 5 July 2018. As also mentioned, the Group conducted the Disposal in 2018 at a consideration of HK\$520.6 million. After taking into account the cashflow requirements of the Group, the Board estimated that the Group would have sufficient assets to meet its operating requirements, and decided to utilise (i) approximately HK\$458 million from the net proceeds of the Disposal for payment of a special dividend of 2.3 HK cents per Share on 10 August 2018 (the "**Second Special Dividend**"); and (ii) the balance of approximately HK\$62 million for the Group's general working capital purpose. In both circumstances, the Directors considered that it would be relatively more beneficial to the Group to share part of its surplus cash with the Shareholders when the holding of such excess cash by itself was unlikely to bring any material benefit to the Group. Owing to primarily payment of the First Special Dividend, the Group's total cash on hand decreased from approximately HK\$304.9 million as at 31 December 2017 to approximately HK\$170.4 million as at 31 December 2018. The Directors consider that the existing cash on hand of the Group is abundant, and they currently anticipate that with the Group's original business becoming stable and capable of generating increasing amount of cash inflows, the Group will have sufficient financial resources to support its funding need for operations and the research and development

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plans for business development as mentioned in the previous paragraph in the next two years. For our due diligence purpose, we have obtained breakdown of the estimated monthly expenses of the Group to satisfy its operating needs as well as the Group's current estimated expenditures for its research and development plans for business development.

Upon our further independent review of the historical financial statements of the Group, we noted that the Group earned an aggregate interest income from Nan Hai of approximately HK\$98.8 million, HK\$102.1 million, HK\$105.4 million, HK\$93.5 million and HK\$95.0 million, respectively, for each of the past five years ended 31 December 2018, representing approximately 12.6%, 12.6%, 12.9%, 11.2% and 9.4%, respectively, of the Group's total revenue for the respective year under review. As a matter of fact, it is in the commercial interest of and beneficial to the Company to extend the due date of repayment of the Outstanding Principal for a higher return than keeping the repaid loan amount (if the Sixth Supplemental Agreement is not entered into) as bank deposits. Further information regarding the premium of the interest rate under the Sixth Supplemental Agreement over the latest interest rates the Group obtained from bank deposits will be discussed in the below sub-section headed "Interest rate" of this letter of advice.

Having considered the above reasons for and possible benefits of the Sixth Supplemental Agreement, we concur with the Directors that the entering into of the Sixth Supplemental Agreement, though not being conducted in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Sixth Supplemental Agreement

As extracted from the Letter from the Board, the principal terms of the Sixth Supplemental Agreement are as follows:

Date:	21 March 2019
Parties:	(i) Lender: The Company; and (ii) Borrower: Nan Hai
Outstanding Principal:	Approximately HK\$1,005,858,000
Extension of repayment of the Outstanding Principal:	The due date of repayment of the Outstanding Principal shall be extended for two years from 30 June 2019 to 29 June 2021.
Interest rate:	The 8.0% per annum during the extension period which shall accrue from day to day, be calculated on the basis of the actual number of days lapsed and a 365-day year, and be paid in arrears when the Outstanding Principal (or the relevant part thereof) shall be repaid/ prepaid.

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Default interest rate:	10% per annum on the default amount, which shall accrue from day to day on the basis of a 365-day year commencing from and including the due date of payment to the date of actual payment.
Security:	Repayment of the Outstanding Principal and outstanding accrued interests will continue to be secured by share mortgage (by way of first fixed charge) in respect of the NHD Shares, representing 100% of the issued share capital of Nan Hai Development.

Save as amended by the Sixth Supplemental Agreement, all other terms and provisions of the Loan Agreement (as supplemented by the Previous Five Supplemental Agreements) shall remain unchanged and in full force and effect and binding on both the Lender and the Borrower.

Interest rate

We noted from the website of The People's Bank of China at <http://www.pbc.gov.cn> that the benchmark lending rates for loans offered by banks and financial institutions in the PRC ranged from 4.86% to 5.94% for maturity term of below six months to more than five years (being all maturity terms of benchmark lending rates for loans offered by banks and financial institutions in the PRC) when the Loan Agreement was entered into in May 2009. Subsequently, the benchmark lending rate rose to the highest of 7.05% in July 2011 and declined constantly to 4.9% in October 2015 and remained as 4.9% till the Latest Practicable Date for loans of maturity term of more than five years. As at the Latest Practicable Date, the benchmark lending rates offered by banks and financial institutions in the PRC ranged from 4.35% to 4.90% for maturity term of below one year and more than five years; whilst the prime lending rate adopted by the Hong Kong and Shanghai Banking Corporation Limited (being a common market reference on interest rate for loans in Hong Kong) was between 5% and 5.125% as at the date of the Loan Agreement and the Latest Practicable Date. Furthermore, the interest rate of the Group's cash deposits in banks was approximately 0.7% in the PRC and approximately 0.125% in Hong Kong for the year ended 31 December 2018. The interest rate of 8.0% per annum under the Sixth Supplemental Agreement is well above all of the aforesaid interest rates and hence is fair and favourable to the Company.

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Security

Based on the confirmation from the Directors and our independent review of the published information of Nan Hai on the Stock Exchange, there was no unresolved litigation against the Nan Hai Group regarding default of repayment of bank and other borrowings as at 31 December 2018. We concur with the Directors that credit risk associated with the Sixth Supplemental Agreement is low and acceptable to the Group in view of the following factors:

- (i) as illustrated in the sub-section headed “Information on Nan Hai” of this letter of advice, the Nan Hai Group had been generating operating cash inflow of approximately HK\$4,359.3 million and HK\$2,262.0 million, respectively, for the two years ended 31 December 2018, proving its capability to generate operating cash inflow to finance its ordinary and usual course of business. For the year ended 31 December 2018, the Nan Hai Group also recorded considerable revenue and net profit of approximately HK\$16,789.5 million and HK\$974.3 million respectively; and
- (ii) the repayment of the Outstanding Principal and the interests incurred thereon is secured by the NHD Share Mortgage. The revenue, profit before tax, assets and liabilities of Nan Hai Development amounted to approximately HK\$9,908.3 million, HK\$6,018.3 million, HK\$25,408.7 million and HK\$14,765.6 million, respectively, for the year ended 31 December 2018/ as at 31 December 2018 (as the case may be). Besides, Nan Hai Development indirectly holds 100% of each of “The Peninsula” project and “Free Man Garden” project, which, according to independent valuation, has a valuation of approximately RMB16,532 million and RMB8,510 million as at 31 December 2018, respectively.

Given the above, it is noted that the financial ability of Nan Hai would be sufficiently strong for repayment of the Outstanding Principal and the aggregate pledge value secured by the NHD Share Mortgage is far above the Outstanding Principal, not to mention the particular relationship that Nan Hai is the immediate holding company of the Company instead of a third party.

In light of the aforesaid terms of the Sixth Supplemental Agreement, we are of the opinion that the terms of the Sixth Supplemental Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3. Possible financial effects of the Sixth Supplemental Agreement on the Group

As demonstrated in the sub-section headed “Information on the Group” of this letter of advice, the Group had cash and cash equivalents of approximately HK\$170.4 million as at 31 December 2018. For the year ended 31 December 2018, the Group recorded net cash generated from operating activities of approximately HK\$62.6 million. As advised by the Directors, the Group has no immediate need of cash which requires utilising the Outstanding Principal and had no capital commitment as at 31 December 2018. Furthermore, pursuant to the Sixth Supplemental Agreement, Nan Hai shall pay in full the outstanding interests accrued on the Outstanding Principal (being approximately HK\$160.9 million up to 29 June 2019) to the

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Group on or before 29 June 2019. With the aforesaid financial resources, the Directors are of the view that the Group has sufficient resources to extend the due date of repayment of the Outstanding Principal. As also stated in Appendix I to the Circular, the Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources available to the Group (including its internally generated funds), the Group after completion of the transactions contemplated under the Sixth Supplemental Agreement, will have sufficient working capital to satisfy its present requirements and the requirements in the next 12 months from the date of the Circular. We noted that in compliance with Rule 14.66(12) of the Listing Rules, the Company's auditor provided a letter confirming that the above statement as to the sufficiency of working capital has been made by the Directors after due and careful enquiry.

Pursuant to the Sixth Supplemental Agreement, the Outstanding Principal will be due on 29 June 2021 and the annual interest is 8.0% per annum. On this basis, it is expected that the Company will receive interest income of approximately HK\$80.5 million per annum. As a result, the earnings attributable to the Shareholders would be enhanced.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Sixth Supplemental Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Sixth Supplemental Agreement is in the interests of the Company and the Shareholders as a whole, though not being conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the GM to approve the Sixth Supplemental Agreement, and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
VBG Capital Limited
Doris Sing
Deputy Managing Director

I. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2016, 2017 and 2018, together with the relevant notes thereto are disclosed in the annual reports of the Company for the year ended 31 December 2016, 2017 and 2018. These annual reports are published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.sino-i.com>):

- annual report of the Company for the year ended 31 December 2018 published on 26 April 2019
- annual report of the Company for the year ended 31 December 2017 published on 24 April 2018
- annual report of the Company for the year ended 31 December 2016 published on 17 April 2017;

II. INDEBTEDNESS

Contingent liabilities

Guarantees given in connection with credit facilities granted to:

	As at 31 March 2019 HK\$'000
An associate (<i>note</i>)	<u>20,593</u>

Note:

In February 1993, a Group's associate borrowed a loan of US\$5 million from a Filipino bank namely Banco de Oro Unibank (formerly known as Equitable PCI Bank Inc. and then as Banco de Oro-EPCI Inc.) ("**Banco Unibank**"). The loan was secured by a guarantee executed by the Company ("**Banco Unibank Guarantee**"), and by share mortgage of 74,889,892 shares (the "**Philippines Shares**") of Acesite (Philippines) Hotel Corporation Inc. ("**Acesite Phils.**"). Due to the pending litigation as more particularly set out in section "VII. Litigation" of Appendix II to this circular, the Group is not able to obtain updated indebtedness information from Banco Unibank. Given the foregoing limitation, it is estimated that the outstanding balance of the total indebtedness owing to Banco Unibank was approximately US\$2,624,000 (equivalent to approximately HK\$20,593,000) by reference to the unaudited financial statements of the associate as at 31 March 2019.

Except for the above, the Group has other litigations as at 31 March 2019 which the Group considered that it would not incur a material outflow of resources as result of these litigations. For details, please refer to section VII of Appendix II to this circular.

Saved as aforesaid and apart from intra-group liabilities and normal accounts payable, the Group did not have any outstanding indebtedness in respect of any mortgages, charges or debentures, loan capital, bank loans and overdrafts, loans debt

securities or other similar indebtedness, or hire purchase commitments, finance lease commitments, guarantees or other material contingent liabilities as at the close of business on 31 March 2019.

III. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources available to the Group (including its internally generated funds), the Group after completion of the transactions contemplated under the Sixth Supplemental Agreement, will have sufficient working capital to satisfy its present requirements and the requirements in the next 12 months from the date of this circular.

IV. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the provision of enterprise cloud services by providing cloud services for corporate digitalization and smart operation and industry solutions to SMEs and individual clients in the PRC.

During the year of 2018, revenue of the Group was approximately HK\$1,012.5 million, representing a growth of approximately 21.52% when compared with the year of 2017. Profit for the year was approximately HK\$375.8 million. Net assets attributable to the owners of the Company were approximately HK\$1,539.1 million.

The Group's management believes that SMEs in the PRC will continue to increase its investment in informatization in the future. Based on its 19 years' experience on providing informatization services for SMEs, the Company has acquired the technologies on cloud computing and cloud applications and has launched its cloud service products designated for SMEs via platforms to minimize the investment costs for informatization and eliminate technical barriers from "cloud". The Group expects that it will have sufficient financial resources to support its funding need for its cloud service products designated for SMEs via platforms for the next two years.

It is noted that in recent years, the PRC government has promulgated a series of policies which are favourable to the development of the cloud services. The Group is dedicated to stream line the business of the Group and to focus the Group's resources on enterprise cloud services.

V. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any circumstances or events that may give rise to a material adverse change in the financing or trading position of the Group since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up.

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

II. DISCLOSURE OF INTERESTS

(a) Directors and Chief Executive

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO (i) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO); or (ii) which were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required pursuant to the Model Code contained in the Listing Rules were as follows:

(1) *The Company*

Long position in Shares in issue

Name of Director	Capacity/ Nature of interest	Number of Shares held	Approximate percentage holding
Yu Pun Hoi (“Mr. Yu”)	Corporate interest	12,838,585,316 (L) ⁽¹⁾	59.11%
Chen Ming Fei	Family interest	6,120,000 (L)	0.03%
	Corporate interest	199,100,000 (L) ⁽²⁾	0.91%
	Other	1,566,000,000 (L) ⁽³⁾	7.21% ⁽⁴⁾
Fung Wing Lap	Personal interest	10,000 (L)	0.00005%

Notes:

- Mr. Yu by means of his corporate interest controls the exercise of more than one third of the voting power at general meetings of Nan Hai, the holding company of the Company. Those 12,838,585,316 Shares were collectively held by Goalrise Investments Limited, View Power Investments Limited and Wise Advance Investments Limited, all of which are wholly-owned subsidiaries of Nan Hai. As such, Mr. Yu was taken to be interested in those Shares for the purposes of Part XV of the SFO.
- Those 199,100,000 Shares were held by Top Standard Consultants Limited, which is wholly-owned by Mr. Chen Ming Fei.

3. These 1,566,000,000 shares may be transferred to Mr. Chen Ming Fei as selected participant (which will be subject to the vesting conditions) pursuant to the restricted share award scheme adopted by the Company on 9 October 2018 (the “Scheme”).
4. (L) denotes long position.

(2) *Interests in Nan Hai, an associated corporation of the Company*

As disclosed above, Mr. Yu is entitled to control the exercise of more than one-third of the voting power at general meetings of Nan Hai. As such, Mr. Yu is taken to be interested in the shares of the associated corporations of the Company within the meaning of Part XV of the SFO. Nan Hai is a company whose shares are listed on the Stock Exchange, and is an associated corporation of the Company within the meaning of Part XV of the SFO. As at the Latest Practicable Date, the interests of the Directors in shares and underlying shares of Nan Hai were as follows:

Long and short positions in shares in issue of Nan Hai

Name of Director	Capacity/ Nature of interest	Number of shares held	Approximate percentage holding
Mr. Yu	Corporate interest	40,673,177,261 (L) ⁽¹⁾	59.25%
		9,734,516,130 (S) ⁽²⁾	14.18%
Chen Ming Fei	Family interest	2,800,000 (L)	0.004%
Fung Wing Lap	Personal interest	15,756 (L)	0.00002%

Notes:

1. The long position in 40,673,177,261 shares were collectively held by Rosewood Assets Ltd., Pippen Limited, Staverley Assets Limited, First Best Assets Limited and Unicorn Assets Group Limited, companies indirectly wholly-owned by Mr. Yu through Dadi Holdings Limited, a company wholly-owned by Mr. Yu.
2. These 9,734,516,130 shares were charged by Pippen Limited, a company indirectly wholly-owned by Mr. Yu through Dadi Holdings Limited, a company wholly-owned by Mr. Yu.
3. (L) denotes long position and (S) denotes short position.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Company, none of the Directors nor chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors and chief executive were taken or deemed to have under the provisions of the SFO); or (ii) which were required,

pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

(b) Substantial Shareholders

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, other than a Director or chief executive of the Company, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

The Company

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held	Approximate percentage holding
Nan Hai	Corporate interest	12,838,585,316 (L) ⁽¹⁾	59.11%
Webers Trust Management (Hong Kong) Limited	Custodian (other than an exempt custodian interest)	1,806,000,000 (L) ⁽²⁾	8.31%

Notes:

- Those 12,838,585,316 shares were collectively held by Goalrise Investments Limited, View Power Investments Limited and Wise Advance Investments Limited, all of which are wholly-owned subsidiaries of Nan Hai.
- Such shares represent the restricted shares granted to selected participants pursuant to the Scheme to be held by the custodian for the benefit of the selected participants before vesting.
- (L) denotes long position.

Save as disclosed above, as at the Latest Practicable Date, the Company was not notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

III. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with any member of the Group other than contracts expiring or determinable by the relevant employer within one year without payment of compensation (except statutory compensation).

IV. COMPETING BUSINESS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors, or his/her respective close associates has an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, or has or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

V. DIRECTORS' INTEREST IN THE GROUP'S ASSETS

As at the Latest Practicable Date, none of the Directors had any interests, either directly or indirectly, in any assets which had been, since 31 December 2018 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

VI. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENT OF SIGNIFICANCE

On 10 January 2017, 北京新網數碼信息技術有限公司 (Beijing Xinnet Cyber Information Company Limited*) (the “**Xinnet**”), the subsidiary of the Company, entered into the Nan Hai Information Service Framework Agreement with Nan Hai (“**Information Service Agreement**”), pursuant to which, Xinnet agreed to provide certain information products and service to Nan Hai group for a term of three years commencing from 1 January 2017 to 31 December 2019, subject to the entering into of individual information service agreements pursuant to the Information Service Agreement. On 30 August 2017, Xinnet and Nan Hai entered into the supplemental agreement to the Information Service Agreement, pursuant to which the parties agreed to increase the annual caps for each of the two years ending 31 December 2018 and 31 December 2019 for the continuing connected transactions under the Information Service Agreement. On 30 May 2018, 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 which will replace and supersede in its entirety the Information Service Agreement and supplemental agreement mentioned above. Mr. Yu (an executive Director), who is deemed to be interested in Nan Hai, is deemed to be interested in the above-mentioned agreements.

On 16 March 2018, the Company as Vendor and Nan Hai Land (HK) Limited, the subsidiary of Nan Hai and a connected person of the Company, as Purchaser, entered into a sale and purchase agreement (the “**SPA**”), pursuant to which the Purchaser has conditionally agreed to purchase (or procure the purchase) and the Vendor has conditionally agreed to sell

(or procure the sale) to the Purchaser the sale equity interest, representing 92.36% of the equity interest of 數碼慧谷置業管理股份有限公司 (Digital HUIGU Real Estate Management Co., Ltd.*) (the “**Digital Huigu**”), for the consideration of approximately HK\$520,600,000.

On 21 June 2018, the Company as lender and Digital Huigu, the subsidiary of Nan Hai and a connected person of the Company, as borrower, entered into a loan agreement (the “**2018 Loan Agreement**”) in relation to the loan in the principal amount of approximately HK\$342,506,000 owed and payable to the Company and its subsidiaries by the Digital Huigu. Such amount owed became a term loan repayable within three years from the date of the 2018 Loan Agreement (the “**2018 Loan**”). The share mortgage provided in respect of the 2009 Loan Agreement over the entire issued share capital of Nan Hai Development Limited have been expanded to cover the obligations under the 2018 Loan Agreement. The 2018 Loan is subject to an interest rate of 8% per annum accrued daily based on a 365-day year and shall be paid in arrears when the outstanding principal (or the relevant part thereof) shall be repaid/prepaid. The default interest rate is 10% per annum on the default amount accrued daily based on a 365-day year.

On 21 June 2018, the Company entered into a property leasing and management framework agreement with Nan Hai, pursuant to which, Nan Hai group agreed to lease certain properties and provide property management services to the Group from 21 June 2018 to 31 December 2020. Mr. Yu (an executive Director), who is deemed to be interested in Nan Hai, is deemed to be interested in the above-mentioned agreements.

On 10 January 2017, Xinnet also entered into the GD Cinema Circuit Information Service Framework Agreement with 廣東大地電影院線股份有限公司 (GD Cinema Circuit Company Limited*) (“**GD Cinema Circuit**”), pursuant to which, Xinnet agreed to provide certain information products and service to GD Cinema Circuit Group for a term of three years commencing from 1 January 2017 to 31 December 2019, subject to the entering into of individual information service agreements pursuant to the GD Cinema Circuit Information Service Framework Agreement. On 30 August 2017, Xinnet and GD Cinema Circuit entered into the supplemental agreement to the GD Cinema Circuit Information Service Framework Agreement, pursuant to which the parties agreed to increase the annual caps for the continuing connected transactions under the GD Cinema Circuit Information Service Framework Agreement. Save for the revised GD Cinema Circuit annual caps, other terms of the GD Cinema Circuit Information Service Framework Agreement remain unchanged. As at the date of the GD Cinema Circuit Information Service Framework Agreement, Ms. Liu Rong (an executive Director) owns 80% of 大地時代文化傳播(北京)有限公司 (Dadi Century Culture Media (Beijing) Company Limited*) (“**Dadi Century Beijing**”), which directly owns 85% equity interest of GD Cinema Circuit, and has an effective control of 15% equity interest of GD Cinema Circuit through 北京大地傳奇投資合夥企業(有限合夥) (Beijing Dadi Legend Investment Partnership (Limited Partnership)*) (“**Dadi Legend**”), which is an associate of Ms. Liu Rong. In addition, Mr. Yu Cheung Hoi, an associate of Mr. Yu (an executive Director), owns 20% of Dadi Century Beijing. Ms. Liu Rong is deemed to be interested in the above-mentioned agreements.

Save as disclosed above and the Loan Agreement (as supplemented by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement, the Fifth Supplemental Agreement and the Sixth Supplemental Agreement) which Mr. Yu is deemed to be interested in, as at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group, which was subsisting at the date of this circular.

VII. LITIGATION

- (a) In respect of the purported sale of the Philippines Shares, which were mortgaged by Acesite Limited (“Acesite”), by Banco Unibank, to Waterfront Philippines Inc. (“Waterfront”), a Filipino company, in February 2003, Acesite, a former subsidiary of the Company; Evallon Investment Limited, a wholly-owned subsidiary of the Company; Mr. Yu, the executive Director of the Company and the chairman and executive director of Nan Hai, the immediate holding company of the Company; and, South Port Development Limited, a former wholly-owned subsidiary of the Company as first, second, third and fourth plaintiff respectively issued a claim against Banco Unibank and Waterfront, on the grounds that the purported sale of the Philippines Shares was unlawful as such sale was in breach of the terms of the mortgage; in breach of a compromise agreement reached in January 2003; and in other breaches, for damages; further or other relief; interest and costs and etc. in February 2006 under High Court Number of HCCL 5 of 2006 (“the Case”). The Directors, after discussion with legal adviser on the outcome of the Case, considered that the Group would not incur any material outflow of resources as a result of the above matters.
- (b) Dadi Media Limited (“Dadi Media”), a wholly-owned subsidiary of the Company as plaintiff, issued a claim against two minority shareholders of Digital Huigu, a former subsidiary of the Company, for the sum of HK\$27,750,498 together with interest thereon and costs in May 2004 under High Court Number of HCA1130 of 2004. The two defendants filed a defence and counterclaim in June 2004 and then an amended defence and counterclaim in September 2004. The counterclaim was further amended and re-amended. In December 2004, the two defendants issued a claim against China Enterprise ASP Limited (“CE ASP”), a wholly-owned subsidiary of Dadi Media under High Court Number HCA2892 of 2004, for (1) the sum of HK\$806,250; (2) an award of compensation pursuant to section 32P of the Employment Ordinance; (3) the sum of HK\$13,000; and (4) interest and costs. CE ASP filed a defence in March 2005. These two cases are still in progress and no trial date has been fixed. The Directors note that the cases have been dormant for a considerable period of time and take the view that the Group would not incur any material outflow of resources as a result thereof.

Save as disclosed above, neither the Group nor any other member of the Group has engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

VIII. MATERIAL CONTRACTS

Save for the Sixth Supplemental Agreement, the SPA and the 2018 Loan Agreement, no contract, not being contracts in the ordinary course of business of the Company or any of its subsidiaries, has been entered into by the members of the Group within the two (2) years immediately preceding the Latest Practicable Date.

IX. QUALIFICATIONS AND CONSENT OF EXPERTS

The following is the qualifications of the expert who has given its opinion and advice which is included in this circular:

Name	Qualifications
VBG Capital	a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

VBG Capital is not beneficially interested in the share capital of any member of the Group nor has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

VBG Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appear.

As at the Latest Practicable Date, VBG Capital does not have any direct or indirect interests in any assets which have since 31 December 2018 (being the date to which the latest audited consolidated accounts of the Company have been made up) been acquired or disposed of by or leased to or by any member of the Group, or was proposed to be acquired or disposed of by or leased to or by any member of the Group.

X. MISCELLANEOUS

- (a) The registered office of the Company is at 12/F., The Octagon, No. 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.
- (b) The company secretary of the Company is Ms. Jay Shree Aggarwal who is a solicitor as defined in the Legal Practitioners Ordinance.
- (c) The Hong Kong share registrar and transfer office of the Company is Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In any event of inconsistency, the English version of this circular shall prevail over the Chinese version to the extent of such inconsistency.

XI. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the registered office of the Company at 12/F., The Octagon, No. 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong for a period of 14 days (excluding Saturdays and public holidays) from the date of this circular:

- (a) the Loan Agreement;
- (b) the First Supplemental Agreement;
- (c) the Second Supplemental Agreement;
- (d) the Third Supplemental Agreement;
- (e) the Fourth Supplemental Agreement;
- (f) the Fifth Supplemental Agreement;
- (g) the Sixth Supplemental Agreement;
- (h) the articles of association of the Company;
- (i) the annual reports of the Company for the three financial years ended 31 December 2016, 31 December 2017 and 31 December 2018;
- (j) the letter from the Independent Financial Adviser;
- (k) the letter from the Independent Board Committee;
- (l) the material contracts as referred to in the paragraph headed “Material Contracts” in this appendix;
- (m) the written consent from the expert referred to in the paragraph headed “Qualifications and Consent of Experts” in this appendix;
- (n) the valuation reports of “The Peninsula” and “Free Man Garden” referred to in the paragraph headed “Nan Hai Development” under the section headed “Information on the parties” in the “Letter from the Board”;
- (o) this circular;
- (p) the circular of the Company for major and connected transaction in relation to the disposal of a subsidiary dated 25 April 2018; and
- (q) the circular of the Company for (1) Proposed Issue of New Shares under the Restricted Share Award Scheme pursuant to Specific Mandate (2) Connected Transaction — Proposed Issue of New Shares to Connected Persons under the Restricted Share Award Scheme and (3) Notice of Extraordinary General Meeting dated 30 November 2018.

* For identification purposes only



SINO-i TECHNOLOGY LIMITED
中國數碼信息有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 250)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the general meeting (the “**Meeting**”) of Sino-i Technology Limited (the “**Company**”) will be held at Salon 1–3, Level 3, JW Marriott, Pacific Place, 88 Queensway, Hong Kong on Thursday, 30 May 2019 immediately after the conclusion or adjournment of the annual general meeting of the Company held on 30 May 2019 for the purpose of considering and, if thought fit, passing (with or without amendments) the following as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the terms of the sixth supplemental agreement dated 21 March 2019 (“**Sixth Supplemental Agreement**”) entered into between Nan Hai Corporation Limited (“**Nan Hai**”) as borrower and the Company as lender in relation to the extension of repayment period of the outstanding principal amount of approximately HK\$1,005,858,000 for two (2) years from 30 June 2019 to 29 June 2021 pursuant to the Sixth Supplemental Agreement (a copy of which has been produced to this meeting marked “A” and initialed by the chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (b) the directors of the Company be and are hereby authorized to do all such acts and things and execute further documents which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of the Sixth Supplemental Agreement and the transactions contemplated thereunder.”

Yours faithfully,
By order of the Board
Sino-i Technology Limited
Liu Rong
Chairlady

Hong Kong, 8 May 2019

NOTICE OF THE GM

Notes:

1. Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf in accordance with the articles of association of the Company. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
2. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the share registrar of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. The register of members of the Company will be closed from 27 May 2019 to 30 May 2019, both days inclusive, during which period no transfer of shares will be effected for the purpose of determining the identity of members who are entitled to attend and vote at the Meeting. In order to qualify for attending and voting at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 24 May 2019 for registration.
4. Where there are joint registered holders of any share(s) of the Company, any one of such joint holders may attend and vote at the Meeting, either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Meeting or any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the name stands in the register of members of the Company in respect of the joint holding.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting or any adjournment thereof if he/she so desires. If a shareholder of the Company attends the Meeting after having deposited the form of proxy, his/her form of proxy will be deemed to have been revoked.
6. If a tropical cyclone warning signal no. 8 or above is hoisted or black rainstorm warning signal is in force in Hong Kong at or after 6:00 a.m. on the date of the Meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the HKEXnews website (www.hkexnews.hk) and the Company's website (<http://www.sino-i.com>) to notify shareholders of the date, time and venue of the rescheduled meeting.
7. Voting of the ordinary resolution as set out in this notice will be by poll.
8. As at the date of this notice, the directors of the Company are:

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