



**紫光科技（控股）有限公司**  
UNISPLENDOUR TECHNOLOGY (HOLDINGS) LIMITED

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14 October 2019

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
CHINA INTERNATIONAL CAPITAL CORPORATION  
HONG KONG SECURITIES LIMITED  
FOR AND ON BEHALF OF THE JOINT OFFERORS  
TO ACQUIRE ALL THE ISSUED SHARES IN  
UNISPLENDOUR TECHNOLOGY (HOLDINGS) LIMITED  
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED  
BY THE JOINT OFFERORS AND PARTIES ACTING IN CONCERT WITH THEM)**

#### **INTRODUCTION**

Reference is made to the Joint Announcement dated 17 September 2019 jointly issued by the Joint Offerors and the Company in relation to, among other things, the Share Purchase Agreement and the Offer.

On 17 September 2019, the Joint Offerors and the Company jointly announced that on 17 September 2019, the Vendor, Sino Xin Ding and Beijing Unis Capital entered into the Share Purchase Agreement, pursuant to which Sino Xin Ding conditionally agreed to acquire from the Vendor the Sale Shares, being 986,829,420 Shares and representing approximately 67.82% of the total issued share capital as at the date of the Joint Announcement, for a total consideration of HK\$990 million (equivalent to approximately HK\$1.00 per Sale Share). Completion of the Share Purchase Agreement took place on 26 September 2019.

Immediately after Completion and as at the Latest Practicable Date, the Joint Offerors and parties acting in concert with them (including Shanghai SEMI Fund and Zhanxing Fund) were interested in a total of 986,829,420 Shares, representing approximately 67.82% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Joint Offerors and the parties acting in concert with them (including Shanghai SEMI Fund and Zhanxing Fund) are required to make a mandatory unconditional general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with them (including Shanghai SEMI Fund and Zhanxing Fund).

The purpose of this Composite Document is to provide you with, among other things, (i) the details of the Offer (including the expected timetable and terms of the Offer); (ii) the letter from the Board; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer; (v) a valuation report from RHL; and (vi) information relating to the Group and the Joint Offerors, together with the Form of Acceptance.

**MANDATORY UNCONDITIONAL GENERAL OFFER**

As at the Latest Practicable Date, there were (a) 1,455,000,000 Shares in issue, of which 986,829,420 Shares (representing approximately 67.82% of the total issued share capital of the Company) were held by the Joint Offerors (directly held by Sino Xin Ding and UNIC Capital is deemed to have an interest in such Shares under Part XV of the SFO) and parties acting in concert with them (including Shanghai SEMI Fund and Zhanxing Fund), and (b) Convertible Bonds in an aggregate principal amount of HK\$148,000,000 convertible into 370,000,000 Shares, all of which were held by the Vendor. Apart from the aforementioned, the Company had no other outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares and no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date. Taking into account the Shares in relation to the Chen Irrevocable Undertaking, the RG Irrevocable Undertaking, the BTF Irrevocable Undertaking, the Sun East Irrevocable Undertaking, the Sum Win Irrevocable Undertaking, and the Mind Seekers Irrevocable Undertaking, a total of 187,235,412 Shares will be subject to the Offer.

**Principal terms of the Offer**

CICC, for and on behalf of the Joint Offerors, hereby makes the Offer on the following terms in compliance with the Takeovers Code on the following basis:

**For every Offer Share . . . . . HK\$1.01 in cash**

The Offer Price of HK\$1.01 per Offer Share is determined by rounding up the price per Sale Share paid by the Joint Offerors to the nearest cent.

The Offer Shares to be acquired under the Offer shall be fully paid and free from any Encumbrance and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made (i.e. the date of the despatch of the Composite Document).

The Company confirms that as at the Latest Practicable Date, (a) it had not declared any dividend, the record date of which falls on or after the date of this Composite Document; and (b) it did not have any intention to make, declare or pay any future dividend or make other distributions until the close of the Offer Period.

The Offer is unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions. The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code.

Further details regarding the Offer, including the terms and procedures for acceptance of the Offer are set out in the “Letter from CICC” as set out on pages 8 to 24 of this Composite Document and “Further Terms and Procedures for Acceptance of the Offer” as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

## **IRREVOCABLE UNDERTAKINGS IN RELATION TO THE OFFER**

### **The Vendor Irrevocable Undertaking**

As at the Latest Practicable Date, the Vendor held convertible bonds issued by the Company in an aggregate principal amount of HK\$148,000,000 convertible into 370,000,000 Shares at a conversion price of HK\$0.40 per Share.

Pursuant to the Vendor Irrevocable Undertaking, the Vendor has irrevocably undertaken to the Joint Offerors that (a) it will not accept any general offer to be made by the Joint Offerors with respect to the Convertible Bonds, and that from the date of the Vendor Irrevocable Undertaking for a continuing period which lasts after the close of the Offer until the Convertible Bonds are fully redeemed, it will not, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of the Convertible Bonds or exercise any right under the Convertible Bonds to require the Company to redeem the Convertible Bonds before maturity, being 30 May 2021 (five years from the date of issue), without first having reached an agreement with the Company and the Joint Offerors and (b) it will not convert any part or the whole of the Convertible Bonds into Shares or exercise any other right of conversion, and will give up any potential right of conversion under the terms of the Convertible Bonds.

In light of the Vendor Irrevocable Undertaking, no offer will be made for the Convertible Bonds as all the outstanding Convertible Bonds are held by the Vendor.

### **The Chen Irrevocable Undertaking**

As at the Latest Practicable Date, Ms. Chen held 100,000,000 Shares, representing approximately 6.87% of the total issued share capital of the Company. Ms. Chen has entered into the Chen Irrevocable Undertaking, pursuant to which Ms. Chen has undertaken to the Joint Offerors that she will not (a) accept the Offer with respect to, and (b) until the close of the Offer or the Offer lapses, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of, the 100,000,000 Shares held by her.

### **The RG Irrevocable Undertaking**

As at the Latest Practicable Date, Reach General held 93,152,000 Shares, representing approximately 6.40% of the total issued share capital of the Company. Reach General has entered into the RG Irrevocable Undertaking, pursuant to which Reach General has undertaken to the Joint Offerors that it will not (a) accept the Offer with respect to, and (b) until the close of the Offer or the Offer lapses, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of, the 93,152,000 Shares held by it.

### **The BTF Irrevocable Undertaking**

As at the Latest Practicable Date, Mr. But (directly held 37,525,200 Shares and indirectly through Sun East, Sum Win and Mind Seekers held 50,257,968 Shares) held 87,783,168 Shares, representing approximately 6.03% of the total issued share capital of the Company. Mr. But has entered into the BTF Irrevocable Undertaking, pursuant to which Mr. But has undertaken to the Joint Offerors that he will not (a) accept, and will procure that none of Sun East, Sum Win and Mind Seekers will accept the Offer with respect to, and (b) until the close of the Offer or the Offer lapses, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of, the 87,783,168 Shares interested in by them.

### **The Sun East Irrevocable Undertaking**

As at the Latest Practicable Date, Sun East held 3,796,000 Shares, representing approximately 0.26% of the total issued share capital of the Company. Sun East has entered into the Sun East Irrevocable Undertaking, pursuant to which Sun East has undertaken to the Joint Offerors that it will not (a) accept the Offer with respect to, and (b) until the close of the Offer or the Offer lapses, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of, the 3,796,000 Shares held by it. For clarity, the Shares which are covered under the Sun East Irrevocable Undertaking overlap with those covered under the BTF Irrevocable Undertaking.

### **The Sum Win Irrevocable Undertaking**

As at the Latest Practicable Date, Sum Win held 2,424,800 Shares, representing approximately 0.17% of the total issued share capital of the Company. Sum Win has entered into the Sum Win Irrevocable Undertaking, pursuant to which Sum Win has undertaken to the Joint Offerors that it will

not (a) accept the Offer with respect to, and (b) until the close of the Offer or the Offer lapses, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of, the 2,424,800 Shares held by it. For clarity, the Shares which are covered under the Sum Win Irrevocable Undertaking overlap with those covered under the BTF Irrevocable Undertaking.

### **The Mind Seekers Irrevocable Undertaking**

As at the Latest Practicable Date, Mind Seekers held 44,037,168 Shares, representing approximately 3.03% of the total issued share capital of the Company. Mind Seekers has entered into the Mind Seekers Irrevocable Undertaking, pursuant to which Mind Seekers has undertaken to the Joint Offerors that it will not (a) accept the Offer with respect to, and (b) until the close of the Offer or the Offer lapses, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of, the 44,037,168 Shares held by it. For clarity, the Shares which are covered under the Mind Seekers Irrevocable Undertaking overlap with those covered under the BTF Irrevocable Undertaking.

### **INFORMATION ON THE GROUP**

The Company, formerly known as Sun East Technology (Holdings) Limited, is a limited liability company incorporated in Bermuda and is principally engaged in investment holding. The Company's shares have been listed on the Stock Exchange since 2000. The Group is principally engaged in SMT equipment manufacturing and related business, and securities investment business.

Set out below is a summary of the audited consolidated financial results of the Group for the nine months ended 31 December 2016 and each of the financial years ended 31 December 2017 and 2018, respectively, as extracted from the relevant published financial statements of the Group for the relevant years, and the unaudited consolidated financial results of the Group for the six months ended 30 June 2018 and 2019 as extracted from the published interim report of the Company dated 6 September 2019.

	<b>For the six months ended 30 June 2019 (unaudited) HK\$'000</b>	<b>For the six months ended 30 June 2018 (unaudited) HK\$'000</b>	<b>For the year ended 31 December 2018 (audited) HK\$'000</b>	<b>For the year ended 31 December 2017 (audited) HK\$'000</b>	<b>For the nine months ended 31 December 2016 (Note 1) (audited) HK\$'000</b>
<b>RESULTS</b>					
Revenue	95,777	30,549	71,430 <i>(Note 2)</i>	246,029 <i>(Note 2)</i>	268,360
(Loss)/profit before income tax	(3,714)	(89,879)	(143,422) <i>(Note 2)</i>	54,862 <i>(Note 2)</i>	(581,472)
(Loss)/profit for the period/year attributable to equity holders of the Company	(4,118)	(77,437)	(122,919)	51,569	(603,151)

Notes:

1. On 29 June 2016, the Company announced that the financial year end date of the Company was changed from 31 March to 31 December commencing from the financial period ended 31 December 2016. Accordingly, the financial periods cover the twelve-month period from 1 January 2017 to 31 December 2017, and the comparative period of the nine months from 1 April 2016 to 31 December 2016, and the information of the comparative periods are not directly comparable.
2. The figures refer to the financials of the continuing operations segment for the respective period only. In September 2018, Unis Si-Cloud Financial Leasing Co., Ltd., which was mainly engaged in finance lease and factoring business, ceased to be a subsidiary of the Company and ceased to be consolidated into the consolidated financial statements of the Company. With reference to the 2018 annual report, the results of finance lease and factoring business for the year ended 31 December 2018 and the year ended 31 December 2017 have been classified/re-stated as terminated operation of the Group.

Your attention is drawn to the “Financial Information of the Group”, “General Information of the Company” and the “Valuation Report” as set out in Appendices II, IV and V respectively, to this Composite Document.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately prior to Completion; and (ii) after Completion and as at the Latest Practicable Date:

	Immediately prior to Completion		After Completion and as at the Latest Practicable Date	
	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Joint Offerors and the parties acting in concert with them (including Shanghai SEMI Fund and Zhanxing Fund)</b>				
- Sino Xin Ding	Nil	Nil	986,829,420	67.82
- UNIC Capital <sup>#</sup>	Nil	Nil	Nil	Nil
- Parties acting in concert with the Joint Offerors (including Shanghai SEMI Fund and Zhanxing Fund but other than Unis Technology and its parties acting in concert)	Nil	Nil	Nil	Nil
<b>Vendor</b>	986,829,420	67.82	Nil	Nil
<b>Public Shareholders</b>	<u>468,170,580</u>	<u>32.18</u>	<u>468,170,580</u>	<u>32.18</u>
<b>Total</b>	<u><b>1,455,000,000</b></u>	<u><b>100.00</b></u>	<u><b>1,455,000,000</b></u>	<u><b>100.00</b></u>

Note:

- # UNIC Capital is the only controlling shareholder of Sino Xin Ding with a majority shareholding therein and is deemed to have an interest in the Shares held by Sino Xin Ding under Part XV of the SFO.

## **INFORMATION ON THE JOINT OFFERORS AND INTENTION OF THE JOINT OFFERORS IN RELATION TO THE GROUP**

Your attention is drawn to the sections headed “Information on the Joint Offerors” and “Intention of the Joint Offerors regarding the Group” in the “Letter from CICC” as set out on pages 8 to 24 of this Composite Document. The Board is aware of the Joint Offerors’ intentions in respect of the Group and is willing to cooperate with the Joint Offerors and acts in the best interests of the Company and the Independent Shareholders as a whole.

### **Maintaining the listing status of the Company**

As disclosed in the “Letter from CICC” contained in this Composite Document, the Joint Offerors have no intention to privatise the Group.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The Joint Offerors intend the Company to remain listed on the Stock Exchange. The directors of each of the Joint Offerors and the new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company’s shares.

The Company and the Joint Offerors consider that, if applicable, the appropriate actions to be taken after the close of the Offer shall include placing down of sufficient number of accepted Shares by the Joint Offerors and/or issue of additional Shares by the Company for this purpose. The Company and the Joint Offerors will issue a separate announcement as and when necessary in this regard.

### **PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY**

Your attention is drawn to the section headed “Proposed Change to the Board Composition of the Company” in the “Letter from CICC” as set out on pages 8 to 24 of this Composite Document.

As at the Latest Practicable Date, the Board comprised three executive Directors, namely Mr. Zhang Yadong (Chairman), Mr. Xia Yuan (Chief Executive Officer) and Mr. Zheng Bo; two non-executive Directors, namely Mr. Li Zhongxiang (Vice Chairman) and Mr. Qi Lian; and three independent non-executive Directors, namely Mr. Cui Yuzhi, Mr. Bao Yi and Mr. Ping Fan. In accordance with the Share Purchase Agreement, amongst the above existing Directors, Mr. Zhang Yadong (Chairman), Mr. Zheng Bo, Mr. Li Zhongxiang (Vice Chairman) and Mr. Qi Lian intend to resign at a date permitted under the Takeovers Code.

The Joint Offerors intend to nominate new Directors with effect from the earliest time as permitted under the Takeovers Code, and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules. Please refer to the section headed “Proposed Change to the Board Composition of the Company” in the “Letter from CICC” as set out on pages 8 to 24 for the biographical information of the new Directors nominated by the Joint Offerors.

## **THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

Rule 2.1 of the Takeovers Code requires the Offeree to establish an independent committee of the Board to give a recommendation to the Independent Shareholders on the Offer as to whether the Offer is fair and reasonable and as to acceptance of the Offer, and Rule 2.8 of the Takeovers Code requires that such independent committee should comprise all the non-executive Directors who have no direct or indirect interest in the Offer other than as a Shareholder.

Mr. Li Zhongxiang and Mr. Qi Lian are both directors of Tsinghua Unigroup, which (i) indirectly controls 100% of the shares of Unis Technology; and (ii) is an indirect shareholder of UNIC Capital, which in turn is an indirect shareholder of Sino Xin Ding. An Independent Board Committee which comprises all the remaining non-executive Directors of the Company, namely, Mr. Cui Yuzhi, Mr. Bao Yi and Mr. Ping Fan, has been established to advise the Independent Shareholders in respect of the Offers.

VBG Capital, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed by the Company after approval by the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

## **RECOMMENDATION**

Your attention is drawn to the “Letter from the Independent Board Committee” as set out on pages 34 to 35 of this Composite Document and the “Letter from VGB Capital” as set out on pages 36 to 52 of this Composite Document, which contain, among other things, their advice in relation to the Offer and the principal factors considered by them in arriving at their recommendation.

The Independent Shareholders are urged to read those letters carefully before taking any action in respect of the Offer.

## **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully “Further Terms and Procedures for Acceptance of the Offer” as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.



In considering what action to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your professional advisers.

Yours faithfully,  
By order of the board of directors of  
**Unisplendour Technology (Holdings) Limited**

A handwritten signature in black ink, consisting of a large, sweeping initial 'X' followed by a series of loops and a long horizontal stroke extending to the right.

**Mr. XIA Yuan**  
*Chief Executive Officer*