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SIS INTERNATIONAL HOLDINGS LIMITED

新龍國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00529)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF RIGHT SHARES IN AN ASSOCIATE COMPANY

SiS has placed an order to subscribe for 58,655,578 newly issued ordinary shares of SiS THAI under its Rights Offering to existing shareholders at the offer price of Baht 3.25 per share. Total subscription price amounted to Baht 190,630,628.50 (approximately HK\$48,751,439).

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION

Date

10 June 2013

Parties

- (1) SiS Distribution (Thailand) Public Company Limited (“SiS THAI”), an associate of SiS, as issuer of the right shares under its Rights Offering; and
- (2) SiS Technologies (Thailand) Pte Ltd, an indirect wholly-owned subsidiary of the Company, holding approximately 47.0% equity interest in SiS THAI, as subscriber.

Consideration and Completion

With the right of oversubscription to take up new ordinary shares which are not subscribed by the other existing shareholders of SiS THAI, SiS has placed an order to subscribe for 58,655,578 newly issued ordinary shares of SiS THAI under its Rights Offering to its existing shareholders in proportion to shareholding ratio at the rate of every 2 existing ordinary shares for 1 newly issued ordinary share at the offer price of Baht 3.25 per share. Total subscription price amounted to Baht 190,630,628.50 (approximately HK\$48,751,439).

The Subscription under the Rights Offering will, when issued, rank *pari passu* in all respects with the existing issued shares of SiS THAI, including the right to receive any dividends and other distributions declared. The terms of the Subscription do not impose any restriction on SiS in respect of subsequent sale of any newly subscribed shares in SiS THAI.

The consideration is financed by internal resources of SiS Group and it is paid on Subscription.

The Subscription is subject to final allotment by SiS THAI, expected to be on or before 20 June 2013. It is expected that the Subscription will complete, with the trading of the relevant new shares of SiS THAI on The Stock Exchange of Thailand to commence, around the end of June 2013.

BACKGROUND AND REASONS FOR THE SUBSCRIPTION

SiS Group is principally engaged in the distribution of mobile and information technology (“IT”) products, investment in promising businesses and real estate investments.

SiS THAI is engaged in IT distribution by trading in computer, software, peripherals and office automation in Thailand since 1998 and it was listed on The Stock Exchange of Thailand in 2004. It is a leading distributor of IT products for 70 leading manufacturers and distributed to more than 5,000 dealers.

The profit before and after tax of SiS THAI for the year ended 31 December 2011 were approximately Baht 272 million and Baht 144 million respectively. The loss before and after tax of SiS THAI for the year ended 31 December 2012 were approximately Baht 663 million and Baht 739 million respectively. Total assets of SiS THAI was approximately Baht 4,573 million as reported in its latest publicly disclosed annual report for the year ended 31 December 2012.

Prior to the Subscription, SiS holds 109,725,000 ordinary shares in SiS THAI, representing approximately 47.0% of its issued share capital. Under the Rights Offering, SiS is entitled to 54,862,500 new ordinary shares in SiS THAI. In addition, SiS will exercise the rights of oversubscription to subscribe up to a maximum 3,793,078 new ordinary shares in the event that such new ordinary shares are not taken up by other existing shareholders of SiS THAI. Following the Subscription, SiS would hold a maximum of approximately 48.1% equity interest of the enlarged issued share capital of SiS THAI (assuming that the right shares have been fully issued). SiS THAI would remain an associate of SiS Group.

The Subscription would safeguard SiS Group’s equity interest in SiS THAI from share dilution and the offer price of Baht 3.25 per share is comparatively lower than its latest closing price of Baht 5.55 per share as at 7 June 2013. The Directors including the independent non-executive Directors consider that the Subscription is fair and reasonable and the Subscription is in the best interests of the Shareholders and the Company as a whole.

GENERAL

Three Executive Directors of the Company are non-executive directors of SiS THAI. Two of them have separate equity interest of less than 0.1% each in SiS THAI and both of them, each confirmed that they would fully exercise their rights to subscribe the newly issued ordinary shares of SiS THAI under the Rights Offering. Following the Subscription, each of their personal interest in SiS THAI would remain less than 0.1% of the equity interest of the enlarged issued share capital of SiS THAI (assuming that the right shares have been fully issued).

Other than the equity interest held by SiS Group and the two Executive Directors, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, SiS THAI and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Baht”	Thailand Baht, the lawful currency of Thailand
“Board”	the board of Directors
“Company”	SiS International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong (Stock Code 00529)
“Completion”	completion of issuing of right shares pursuant to the Rights Offering by SiS THAI
“connected persons”	shall have the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Rights Offering”	SiS THAI issues new ordinary shares to its existing shareholders in proportion to shareholding ratio at the rate of every 2 existing ordinary shares per 1 newly issued ordinary share at the offer price of Baht 3.25 per share. Existing shareholders have the rights of oversubscription to take up new ordinary shares which are not subscribed by the other existing shareholders.

“right shares”	new ordinary shares of SiS THAI to be allotted and issued under the Rights Offering, being 116,732,885 shares
“Shareholder(s)”	Shareholder(s) of the Company, holder(s) of the ordinary share(s) of HK\$0.01 each of the Company
“SiS”	SiS Technologies (Thailand) Pte Ltd, an indirect wholly-owned subsidiary of the Company incorporated in Singapore, holding 47.0% equity interest in SiS THAI, as the subscriber
“SiS Group”	the Company and its subsidiaries
“SiS THAI”	SiS Distribution (Thailand) Public Company Limited, an associate of SiS, incorporated in Thailand and the shares of which are listed in The Stock Exchange of Thailand
“Subscription”	the subscription of the newly issued ordinary shares of SiS THAI pursuant to its Rights Offering by SiS

In this announcement, amounts denominated in Baht have been translated into HK\$ at an exchange rate of HK\$0.2557 = Baht 1, which is for reference only.

On Behalf of the Board
SiS International Holdings Limited
Lim Kiah Meng
Director

Hong Kong, 10 June 2013

As at the date of this announcement, the executive directors are Mr. Lim Kiah Meng, Mr. Lim Kia Hong, Mr. Lim Hwee Hai, and Madam. Lim Hwee Noi; and the independent non-executive directors are Mr. Lee Hiok Chuan, Ms. Ong Wui Leng and Mr. Ma Shiu Sun Michael.

** For identification purpose only.*