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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)

PROPOSED SPIN-OFF AND SEPARATE LISTING OF INFORMATION TECHNOLOGY CONSULTANTS LIMITED ON THE STOCK EXCHANGES IN BANGLADESH

The board of directors (the “**Board**”) of SiS International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce the proposed spin-off of Information Technology Consultants Limited (“**ITCL**”) for separate listing on the Dhaka Stock Exchange and the Chittagong Stock Exchange in Bangladesh (the “**Proposed Spin-off**”). In this regard, the Company has submitted a spin-off proposal to The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) pursuant to Practice Note 15 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) (“**PN15**”) and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

A listing application was submitted to the Bangladesh Securities and Exchange Commission (the “**BSE**”) to apply for the listing of the shares of ITCL (the “**Listing**”). Upon completion of the Proposed Spin-off and the Listing, it is intended that the Company will have an interest of approximately 37.60% in ITCL and ITCL will remain as a subsidiary of the Company.

According to PN15, the Company is expected to provide its shareholders with an assured entitlement to the shares of ITCL. The Board considers that strict compliance with the assured entitlement requirement would not be beneficial to the Company. The Company therefore proposes to convene a special general meeting (the “**SGM**”) to seek approval from the shareholders of the Company (the “**Shareholders**”) other than Mr. Lim Kiah Meng, Mr. Lim Kia Hong, Mr. Lim Hwee Hai and Madam Lim Hwee Noi and their respective associates (the “**Lim’s Family**”) (the “**Minority Shareholders**”) to waive such requirement.

* For identification purposes only

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules and all of the applicable percentage ratios in respect of the Proposed Spin-off are expected to be below 5%.

A circular containing, among other things, details of the Proposed Spin-off and a notice to convene the SGM to seek approval from the Minority Shareholders to waive the assured entitlement requirement will be despatched to the Shareholders. As additional time is required to prepare the relevant information to be included in the circular, the expected date of despatch of the circular may be more than 15 business days after the publication of this announcement. The Company will despatch the circular to the Shareholders as soon as practicable and it is currently expected that the SGM will be convened by the Company before the end of 2014.

Shareholders and public investors should note that there is no assurance that the BSE will approve the Listing.

The Proposed Spin-off and the Listing are subject to, among other things, the Minority Shareholders waiving the assured entitlement requirement under PN15, the BSE's approval of the Listing, market conditions and other considerations. Accordingly, the Shareholders and potential investors should be aware that there is no assurance that the Proposed Spin-off and the Listing will take place and, if so, when they may take place. The shareholders and potential investors should exercise caution when dealing in or investing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce the Proposed Spin-off. In this regard, the Company has submitted a spin-off proposal to the Stock Exchange pursuant to PN15 and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

A listing application was submitted to the BSE to apply for the Listing.

THE PROPOSED SPIN-OFF

ITCL is a company incorporated in Bangladesh in 2000 and is currently owned as to approximately 43.60% by indirectly wholly-owned subsidiaries of the Company. ITCL is principally engaged in the business of providing electronic payment services in Bangladesh.

The Proposed Spin-off and the Listing will be effected by a public offering of new shares of ITCL. Upon completion of the Proposed Spin-off and the Listing, it is intended that the Company will have an interest of approximately 37.60% in ITCL and ITCL will remain as a subsidiary of the Company.

The Proposed Spin-off will be conditional upon, among other things, (i) the Minority Shareholders (as required under paragraph 3(f) of PN15) agreeing to waive the assured entitlement requirement under PN15 at a general meeting; (ii) the BSE's approval of the Listing; and (iii) market conditions and other considerations.

Upon completion of the Proposed Spin-off, there will be a clear delineation between the businesses of ITCL and its subsidiary (the “**Spin-off Group**”) and the remaining businesses of the Group, which include:

- (a) distribution of I.T., mobile phones and related products;
- (b) investment in promising businesses and/or I.T. companies; and
- (c) investment in real estate properties consisting of hotel, commercial, industrial and residential properties.

If the Proposed Spin-off is effected, the net proceeds from the issue of new shares of ITCL pursuant to the share offer will mainly be used for the expansion of business of the Spin-off Group.

ASSURED ENTITLEMENT

In compliance with PN15, the Company is required to provide the Shareholders with an assured entitlement to the shares of ITCL. PN15 further provides that the Minority Shareholders may by resolution in general meeting resolve to waive such assured entitlement.

Pursuant to PN15, the Company has considered the option of distributing the shares of ITCL to the Shareholders by way of dividends in species. However, considering that a potentially small number of the shares of ITCL that could be distributed (since the Company presently owned 43.60% of the shares in ICTL) and the large number of the Shareholders, any shares of ITCL distributed to the Shareholders may not be meaningful. Further, any distribution would have to be made in proportion to the number of shares held by the Shareholders and the assured entitlement would also give the Shareholders odd-lots of the shares in ICTL. In addition, the Company will also incur extra cost and unproductive administrative work to register all the Shareholders as shareholders of ICTL in Bangladesh. Furthermore, the Shareholders may face practical difficulties in order to hold the shares of ITCL, such as the need to open a share trading account with a registered broker in Bangladesh, the payment of brokerage fee and having to deal with foreign exchange requirements in Bangladesh. Having considered the above, it is in the best interest of the Company that all the shares of ITCL be held with the Company for the benefit of the Shareholders pursuant to the Proposed Spin-off.

ITCL is proposed to be listed outside Hong Kong, and any preferential offering to the Shareholders in Hong Kong would require the registration of a prospectus in Hong Kong because the number of shareholders to be offered the preferential offering is likely to exceed 50 persons. Given the time and expenses to prepare and obtain regulatory approval for a prospectus is relatively costly as compared with the size of the fund to be raised in the public offering, the Board does not consider that the provision of an assured entitlement by way of preferential offering is appropriate because the shares of ITCL will only be traded in Bangladesh.

Based on the above reasons, the Board considers that strict compliance with the assured entitlement requirement under PN15 would not be beneficial to the Company. The Company therefore proposes to convene the SGM to seek approval from the Minority Shareholders to waive such requirement.

Mr. Lim Kiah Meng, one of the executive directors of the Company, holds approximately 9.80% of the shares in ITCL through a related corporation. As a result, he is an interested party to the Proposed Spin-off and will abstain from voting at the SGM. In addition, the Lim's Family are controlling shareholders of the Company and therefore are not regarded as Minority Shareholders and will abstain from voting at the SGM. Accordingly, only the Minority Shareholders are entitled to vote at the SGM.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Board believes that the Proposed Spin-off and the Listing will be beneficial to both the Company and ITCL for the following reasons:

- i. the Proposed Spin-off and the Listing will provide ITCL with a separate platform for raising funds from both equity and debt capital markets. ITCL will also have access to bank financing on potentially more advantageous terms than are presently available to it. ITCL will therefore enjoy more diversified funding sources to finance its future expansion. The Company will, through its holding of approximately 37.60% immediately upon completion of the Listing, continue to enjoy the benefits from the growth and development of the business of ITCL; and
- ii. the Proposed Spin-off and the Listing will assist ITCL to achieve its fair valuation potential fully and improve the company profile and status of ITCL. ITCL will be able to attract strategic investors, who can create synergies for ITCL and form strategic partnerships with ITCL.

LISTING RULES IMPLICATIONS

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules and all of the applicable percentage ratios in respect of the Proposed Spin-off are expected to be below 5%.

GENERAL

A circular containing, among other things, details of the Proposed Spin-off and a notice to convene the SGM to seek approval from the Minority Shareholders to waive the assured entitlement requirement will be despatched to the shareholders of the Company. As additional time is required to prepare the relevant information to be included in the circular, the expected date of despatch of the circular may be more than 15 business days after the publication of this announcement. The Company will despatch the circular to its shareholders as soon as practicable and it is currently expected that the SGM will be convened by the Company before the end of 2014.

Shareholders and public investors should note that there is no assurance that the BSE will approve the Listing.

The Listing and the Proposed Spin-off are subject to, among other things, the Minority Shareholders waiving the assured entitlement requirement under PN15, the BSE's approval of the Listing, market conditions and other considerations. Accordingly, the Shareholders and potential investors should be aware that there is no assurance that the Proposed Spin-off and the Listing will take place and, if so, when they may take place. The shareholders and potential investors should exercise caution when dealing in or investing in the securities of the Company.

By Order of the Board
SIS INTERNATIONAL HOLDINGS LIMITED
Chiu Lai Chun, Rhoda
Company Secretary

Hong Kong, 5 November 2014

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