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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 DISPOSAL OF LISTED SHARES IN A SUBSIDIARY

The Company announces that on 25 June 2021 Thai Alliance Co., Ltd., an indirectly non-wholly-owned subsidiary of the Company, has disposed an aggregate of 10,000,000 SiS THAI Shares on the Stock Exchange of Thailand, representing approximately 2.86% of the total issued shares of SiS THAI. The aggregate consideration of the Disposal is THB359,532,000 (equivalent to approximately HK\$89,883,000) (after deduction of the relevant transaction costs).

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Company announces that on 25 June 2021 Thai Alliance Co., Ltd., an indirectly non-wholly-owned subsidiary of the Company, has disposed an aggregate of 10,000,000 ordinary shares of SiS Distribution (Thailand) Public Company Limited (“SiS THAI”) on the Stock Exchange of Thailand, representing approximately 2.86% of the total issued shares of SiS THAI. The aggregate consideration of the Disposal is approximately THB359,532,000 (equivalent to approximately HK\$89,883,000) (after deduction of the relevant transaction costs), which is receivable in cash on settlement. The consideration of Disposal was made reference to the market price of SiS THAI Shares.

Since the Disposal was made on the market, the Group does not aware of the identities of the buyers of the Disposal Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the buyers of the Disposal Shares and their respective ultimate beneficial owners are Independent Third Parties.

After the Disposal, the Company and its subsidiaries holds in total 214,510,470 SiS THAI Shares, representing approximately 60.77% of effective interest in SiS THAI and SiS THAI will continue to be a subsidiary of the Group.

* For identification purpose only.

INFORMATION OF SIS THAI

SiS THAI is a limited company incorporated and domiciled in Thailand. It is principally engaged in the distribution of computer components, smartphone, office automation equipment, service and rental of computers and accessories. The shares of SiS THAI are listed on the Stock Exchange of Thailand (stock code: SIS).

According to the published financial statements of SiS THAI, its audited financial results for the two years ended 31 December 2020 and 2019, respectively are as follows:

	<u>For the year ended 31 December</u>		<u>For the year ended 31 December</u>	
	2020	2019	2020	2019
	<i>THB'000</i>	<i>THB'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total revenues	24,019,033	20,470,743	6,004,758	5,117,686
Net profit before taxation and extraordinary items	740,895	528,076	185,224	132,019
Net profit after taxation and extraordinary items	597,497	423,390	149,374	105,848

According to the published financial statements of SiS THAI, the unaudited net asset value amounted to THB2,999,866,000 (equivalent to HK\$749,966,500) as at 31 March 2021.

INFORMATION OF THE GROUP AND REASONS FOR THE DISPOSAL

The Company is an investment trading, and investment holding company and provides corporate management services. The principal business of the Group includes real estate investment, mobile & IT products distribution as well as investments in promising businesses and securities.

The interest in SiS THAI is held by the Group as a non-wholly owned subsidiary. Since the share price of SiS THAI has growth substantially, the Group would like to seize the opportunity to realise some gains by disposing part of the investment and to enhance the Group's working capital. The Group intends to use the proceeds from the Disposal to repay the liabilities of Thai Alliance Co., Ltd.

Having considered the above factors, the Directors consider that the Disposal is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

After the Disposal, SiS THAI remains a subsidiary of the Group. The effective interest in SiS THAI would be reduced from 63.53% to 60.77%. As a result of the Disposal, the Group is expected to recognise an unaudited gain before tax of approximately HK\$65,000,000, which is determined on the basis of the difference between the carrying amount of the Disposal Shares as at 31 March 2021 and proceeds from the Disposal (after deduction of the relevant transaction costs). The calculation of gain on Disposal is only estimation and the accounting treatment of the Disposal will be subject to further review by the auditors of the Company.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“%”	per cent
“Disposal”	the disposal of 10,000,000 ordinary shares of SiS THAI which are listed in the Stock Exchange 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 (Stock Code: 00529)
“Directors”	the directors of the Company
“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 People’s Republic of China
“Independent Third Parties”	persons independent of the Company and its connected persons (as defined in the Hong Kong Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholders”	Shareholders of the Company, holders of the ordinary shares of HK\$0.10 each of the Company
“SiS THAI Shares”	Ordinary shares of THB 1 each of the issued share capital of SiS Distribution (Thailand) Public Company Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“THB”	Thai Baht, the lawful currency of Thailand

Unless otherwise stated, the exchange rates adopted in this announcement for illustration purposes only is THB1 to HK\$0.25.

On behalf of the Board
SiS International Holdings Limited
LIM Kia Hong
Chairman and Chief Executive Officer

Hong Kong, 25 June 2021

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