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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 ACQUISITION OF EQUITY INTEREST OF THE TARGET ENTITY

THE ACQUISITION

The Board of the Company is pleased to announce that on 22 September 2024, the Purchaser, a wholly-owned subsidiary of the Company, and the Sellers have entered into the SPA, pursuant to which the Purchaser has conditionally agreed to acquire, and the Sellers have conditionally agreed to sell, the Sales Shares, representing 100% of the issued shares of the Target Entity at the Consideration of SGD4,165,000 (equivalent to approximately HK\$24,990,000).

Within 7 days after Completion, 214,285 new shares in the Target Entity, representing about 30% of the enlarged issued shares of the Target Entity, shall be issued to Mr. Teh Kim Chan at SGD1 as part of his remuneration pursuant to the Employment Agreement, and the Company will indirectly hold about 70% of the enlarged issued shares in the Target Entity. As a result, the Target Entity will become an indirect about 70%-owned subsidiary of the Company.

LISTING RULE IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) of the Acquisition is more than 5% but is less than 25%, the entering into of the SPA will constitute a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board of the Company is pleased to announce that on 22 September 2024, the Purchaser, a wholly-owned subsidiary of the Company, and the Sellers have entered into the SPA, pursuant to which the Purchaser has conditionally agreed to acquire, and the Sellers have conditionally agreed to sell, the Sales Shares representing 100% of the issued shares in the Target Entity at the Consideration of SGD4,165,000 (equivalent to approximately HK\$24,990,000).

Within 7 days after Completion, 214,285 new shares in the Target Entity, representing about 30% of the enlarged issued shares of the Target Entity, shall be issued to Mr. Teh Kim Chan at SGD1 as part of his remuneration for his appointment as the chief executive officer and a director of the Target Entity, pursuant to the Employment Agreement and subject to certain clawback provisions in the case of his termination and/or resignation pursuant to the terms of the Employment Agreement. As a result, the Target Entity will become an indirect about 70%-owned subsidiary of the Company after issuing new shares of Target Entity. The Company will make further announcement(s) as and when appropriate and as required by the Listing Rule in the case that the clawback provisions are triggered.

THE SPA

The principal terms of the SPA are set out below:

Date: 22 September 2024

Purchaser: SiS Distribution Limited, a wholly-owned subsidiary of the Company

Sellers: (i) Lim Siang Hoe Benny;
(ii) Ooi Boon Hock Edmund; and
(iii) Teh Kim Chan,
each, the ultimate legal and beneficial owner of the Sale Shares in the Target entity.

Target Entity: OneT Solutions Pte. Ltd.

Consideration and Payment terms

Pursuant to the SPA, the Consideration for the Sale Shares shall be SGD4,165,000 (equivalent to approximately HK\$24,990,000), which includes all the interests and obligations corresponding to the Sale Shares interest in the Target Entity, including but not limited to all of the or other distribution declared on or before the Completion Date.

The Consideration shall be paid by the Purchaser to the Sellers in full by way of cashier's order on the Completion Date, which is to be funded by internal resources of the Group and/or bank financing.

Conditions Precedent for the Completion

Completion is condition upon, among others, the following conditions precedents being satisfied:

- (i) Satisfactory completion of due diligence by the Purchaser;
- (ii) The Sellers having obtained the required consents from any landlord in which the Target Entity is based;
- (iii) The Sellers having obtained the required consents from the other party(ies) under the vendors distributorship agreement, resellers agreements or any contracts in which the Target Entity is a party to;
- (iv) Mr. Teh Kim Chan having executed the Employment Agreement with the Target Entity for ensuring a smooth transition.

In case any of the condition precedents have not been fulfilled by Completion, the Purchaser or Sellers may unilaterally terminate the SPA and no party shall have any claim of any nature under the SPA against the other party.

Completion Date

Subject to the satisfaction of the conditions precedent provided for in the SPA, completion of the Acquisition shall take place on 2 November 2024 or a date to be mutually agreed between the Purchaser and the Sellers.

Basis of the Consideration

The Consideration was determined with reference to, among other things, (i) the net asset value of the Target Entity as at 31 December 2023; (ii) the historical financial performance of the Target Entity; and (iii) the future prospect of the Target Entity.

INFORMATION ABOUT THE TARGET ENTITY

The Target Entity, OneT Solutions Pte. Ltd., is principally engaged in the provision of high-quality IT solutions and consulting and implementation services, including business consultancy services to improve the productivity and profitability of businesses in Singapore.

As at 31 December 2023, the audited net asset value based on Financial Reporting Standards in Singapore (“FRS”) basis of the Target Entity was SGD2,319,033 (equivalent to HK\$13,914,198).

The net profit (both before and after tax) of the Target Entity for the two years ended 31 December 2023 and 2022, which were prepared in accordance with the FRS, were as follows:

	<u>Year ended 31 December</u>			
	2023	2023	2022	2022
	<i>Audited</i>	<i>Equivalent to</i>	<i>Unaudited</i>	<i>Equivalent to</i>
	<i>SGD</i>	<i>HK\$</i>	<i>SGD</i>	<i>HK\$ '000</i>
Net profit before tax	1,510,346	9,062,076	224,376	1,346,256
Net profit after tax	1,268,384	7,610,304	185,514	1,113,084

INFORMATION ABOUT THE PARTIES

The Company and the Group

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 Purchaser

The Purchaser is a wholly-owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liability. It is an investment holding company.

The Sellers

Each of the Sellers is an individual merchant, and the ultimate legal and beneficial owner of their respective Sale Shares in the Target Entity as at the date of this announcement.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, each of the Sellers is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition is in line with the Group’s strategy to strengthen its distribution business by providing consultation services to corporate customers. The Board believes the acquisition will create synergy in the Group’s distributorships regionally. Furthermore, the

combined expertise and industry connections of the Target Entity will enable the Group to respond more effectively to market demands, adapt to changing customer needs, and capitalize on emerging opportunities.

The Directors are of the view that the Acquisition and the terms of the SPA, including the Consideration, are fair and reasonable, on normal commercial terms, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios of the Acquisition is more than 5% but is less than 25%, the entering into of the SPA will constitute a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

WARNING

As the Acquisition is subject to certain conditions precedent being fulfilled, the Acquisition may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context requires otherwise, the capitalized terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition of the Target Entity’s Sale Shares
“Board”	the board of Directors
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the SPA
“Completion Date”	2 November 2024 or such other date as the parties may mutually agree in writing
“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)
“connected person”	shall have the meaning as ascribed to it under the Listing Rule

“Director”	the directors of the Company
“Employment Agreement”	an employment agreement to be entered into between Mr. Teh Kim Chan and the Target Entity on or before the Completion Date, pursuant to which, among others, Mr. Teh Kim Chan shall be appointed as the chief executive officer and a director of the Target Entity upon Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	SiS Distribution Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sale Shares”	500,000 ordinary shares in the issued share capital of the Target Entity, representing 100% of the issued capital of the Target Entity and held by the Sellers as at date of this announcement
“Sellers”	collectively, (i) Mr. Lim Siang Hoe Benny, a Singaporean, the legal and beneficial owner of 250,000 Sale Shares; (ii) Mr. Ooi Boon Hock Edmund, a Singaporean, the legal and beneficial owner of 50,000 Sale Shares; and (iii) Mr. Teh Kim Chan, a Singaporean, the legal and beneficial owner of 200,000 Sale Shares;
“SGD”	Singapore dollars, the lawful currency of Republic of Singapore
“Shareholders”	shareholders of the Company, holders of the ordinary shares of HK\$0.10 each of the Company

“SPA”	the sale and purchase agreement entered into between the Purchaser and the Sellers on 22 September 2024 in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Entity”	OneT Solutions Pte. Ltd., a private company incorporated in Singapore, with an issued share capital of SGD500,000 divided into 500,000 ordinary shares as at the date of this announcement
“%”	per cent

The exchange rate adopted for the purpose of this announcement is HK\$6 to SGD1. No representation is made that any amounts in SGD and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

By Order of the Board of
SIS INTERNATIONAL HOLDINGS LIMITED
Lim Kiah Meng
Chairman and Chief Executive Officer

Hong Kong, 22 September 2024

As at the date of this announcement, the executive directors are Mr. Lim Kiah Meng, Mr. Lim Hwee Hai and Madam Lim Hwee Noi. The independent non-executive directors are Mr. Ma Shiu Sun, Michael, Ms. Ng See Wai Rowena and Ms. Tan Song Ping.

** For identification purposes only*