

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **SIS INTERNATIONAL HOLDINGS LIMITED**

**新龍國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00529)**

### **DISCLOSABLE TRANSACTION IN RELATION TO DEEMED DISPOSAL OF INTEREST IN A SUBSIDIARY INFORMATION TECHNOLOGY CONSULTANTS LIMITED**

Upon issuance of new shares of ITCL to the public in Bangladesh, the Group's interest in ITCL has been diluted from 43.6% to 37.6% on 3 December 2015. Two independent directors were newly appointed to the board of ITCL upon its listing on 10 January 2016.

As a result of the loss in control over ITCL, the Group's investment in ITCL was reclassified from a subsidiary to interest in associate as at 31 December 2015. The dilution of the Group's investment in ITCL constituted a deemed disposal of the Group's equity interest in subsidiary. The deemed gain on disposal of HK\$19,494,000 was recorded in the consolidated statement of profit and loss account of the Group for the year ended 31 December 2015

As certain of the applicable percentage ratios under Chapter 14.07 of the Listing Rules exceeds 5% but is less than 25%, the dilution of Shares in ITCL constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

#### **Introduction**

Reference is made to the announcements of SiS International Holdings Limited (the "Company") dated 5 November 2014, 6 October 2015 and 11 January 2016 and the circular dated 20 November 2014 (collectively, the "Announcement and Circular") with respect to, among other things, the Proposed Spin-off and the Listing of Information Technology Consultants Limited ("ITCL") in Bangladesh. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement and Circular.

*\* For identification purpose only.*

With issuance of 12,000,000 new shares at Taka10 per share of ITCL to the public in Bangladesh on 3 December 2015, the Group's equity interest in ITCL has been diluted from 43.6% to 37.6%. Shares of ITCL ("Shares") commenced trading on 10 January 2016 under the Dhaka Stock Exchange ("DSE") and the Chittagong Stock Exchange ("CSE") in Bangladesh. Two independent directors were newly appointed to the board of ITCL upon its listing on 10 January 2016. As a result of the loss in control over ITCL, the Group's investment in ITCL was reclassified from a subsidiary to interest in associate as at 31 December 2015.

### **Financial effects to the Company**

The dilution of the Group's interest in ITCL constituted a deemed disposal of the Group's equity interest in subsidiary.

The assets and liabilities of ITCL were deconsolidated from the Group's consolidated statement of financial position and the interest in ITCL has been accounted for as an associate using equity method.

An independent professional valuer was engaged in February 2016 to assess the fair value of the 37.6% retained interest in ITCL at the date on which the control was lost. Such fair value amounted to HK\$87,224,000 is regarded as the cost on initial recognition of the investment in ITCL by the Group as an associate.

The deemed gain on disposal of HK\$19,494,000 (detailed calculation is stated below) is recorded in the consolidated statement of profit and loss account of the Group for the year ended 31 December 2015.

#### *Analysis of assets and liabilities over which control was lost:*

	<i>HK\$'000</i>
Non-current assets	103,207
Current assets	152,730
Current liabilities	(95,929)
Non-current liabilities	(5,155)
Net assets disposal of	<u>154,853</u>

#### *Deemed gain on disposal of ITCL*

	<i>HK\$'000</i>
Net assets disposed of	(154,853)
Fair value of retained interest	87,224
Non-controlling interests	85,904
Cumulative exchange difference in respect of the net assets of ITCL reclassified from equity to profit or loss on loss of control ITCL	1,219
Gain on deemed disposal	<u>19,494</u>
Net cash outflow arising on disposal	
Cash and cash equivalents of ITCL deemed disposed of	<u>48,756</u>

## Information of the Company and ITCL

The Company is an investment holding company and its subsidiaries are principally engaged in real estate investment, mobile & IT products distribution as well as investments in promising businesses (including securities investments).

ITCL is a company established in Bangladesh in 2000 and it is the local leader in the rapidly evolving arena of electronic payment & transaction system. ITCL provides transaction processing services to major banks, financial institutions, government organizations and retailers with an advanced infrastructure. It operates one of the largest banks driven independent Q-Cash shared ATM network in Bangladesh.

For the two financial years ended 31 December 2015 and 31 December 2014, the net loss of ITCL before and after taxation and extraordinary items consolidated in the Group's financial results are as follow:

For the financial year ended 31 December	Net loss before tax and extraordinary items	Net loss after tax and extraordinary items
2014	HK\$430,000	HK\$504,000
2015	HK\$1,858,000	HK\$1,973,000

## Listing Rules Implications

As certain of the applicable percentage ratios under Chapter 14.07 of the Listing Rules exceeds 5% but is less than 25%, the dilution of the Shares in ITCL constitutes a deemed disposal of the Company's equity interest in subsidiary and a discloseable transaction of the Company under Listing rules Chapter 14 of the Listing Rules.

By Order of the Board  
**SiS International Holdings Limited**  
**Chiu Lai Chun, Rhoda**  
*Company Secretary*

Hong Kong, 15 March 2016

*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.*