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If you have sold or transferred all your shares in SinoCom Software Group Limited (the “Company”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



SinoCom

SINOCOM SOFTWARE GROUP LIMITED

中訊軟件集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 299)

**(1) PLACING OF BONDS UNDER SPECIFIC MANDATE
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at 11:00 a.m. on 13 August 2015 at Room 1804, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong is set out on page 17 to 18 of this circular of the Company.

A form of proxy for the EGM is enclosed with this circular. If you do not intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

23 July 2015

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Adjustment Event(s)”	has the meaning ascribed to it in the paragraph headed “Principal Terms of the Bonds”
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	means the board of Director(s)
“Bondholder”	means person who is for the time being the registered holder of a Bond
“Bonds”	means the 24 months unlisted Bonds in an aggregate principal amount of HK\$200,000,000 issued by the Company on the Issue Date in accordance with the terms of the Placing Agreement
“Business Day”	means a day, other than a Saturday, Sunday, on which banks are open for general banking business in Hong Kong throughout their normal business hours
“Closing Date”	means 22 June 2015
“Company”	means SinoCom Software Group Limited, a limited liability company incorporated in the Cayman Islands whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and whose shares are listed on the main board of the Stock Exchange (stock code 299)
“Completion”	means the completion of the Placing in accordance with the Placing Agreement
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Conversion Condition(s)”	has the meaning ascribed to it in the section headed “INTRODUCTION”
“Conversion Period”	means the period commencing on the date of issue of the Bonds and up to the Maturity Date
“Conversion Price”	means the conversion price per Conversion Share and initially at HK\$2.50 per Conversion Share (subject to adjustments)
“Conversion Rights”	has the meaning ascribed to it in the paragraph headed “Principal Terms of the Bonds”

DEFINITIONS

“Conversion Rights Creation Date”	has the meaning ascribed to it in the section headed “INTRODUCTION”
“Conversion Share(s)”	means the Share(s) to be allotted and issued upon conversion of the Bonds
“Date of Announcement”	means 5 June 2015
“Director(s)”	director(s) of the Company
“EGM”	means the extraordinary general meeting of the Company to be held for considering, and if thought fit, approving the Specific Mandate
“Event of Default”	has the meaning ascribed to it in the paragraph headed “Principal Terms of the Bonds”
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	means an independent third party(ies) who themselves, are to the best of Director’s knowledge, information and benefit having made all reasonable enquiries, third parties independent of and not connected with the Company and its connected persons
“Interest Payment Date”	has the meaning ascribed to it in the paragraph headed “Principal Terms of the Bonds”
“Interest Rate”	has the meaning ascribed to it in the paragraph headed “Principal Terms of the Bonds”
“Issue Date”	means the issue date of the Bonds, which is 22 June 2015
“Latest Practicable Date”	20 July 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Majority Subsidiary”	means the subsidiaries with net asset value as shown in the respective latest published accounts thereof amounts to 50% or more of that of the Company
“Maturity Date”	has the meaning ascribed to it in the paragraph headed “Principal Terms of the Bonds”
“New Interest Rate”	has the meaning ascribed to it in the paragraph headed “Principal Terms of the Bonds”
“Non-fulfillment”	has the meaning ascribed to it in the section headed “INTRODUCTION”
“Non-fulfillment Date”	has the meaning ascribed to it in the section headed “INTRODUCTION”
“Placing”	means the placing of the Bonds by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	means Ping An Securities Limited, a company incorporated in Hong Kong with limited liability having its registered office at Unit 02, 2/F, China Merchants Building, 152–155 Connaught Road Central, Hong Kong
“Placing Agreement”	means the placing agreement dated 5 June 2015 (as supplemented and amended by a supplemental placing agreement dated 11 June 2015 entered into between the same parties) entered into between the Company and the Placing Agent in relation to the Placing
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	means ordinary share(s) in the share capital of the Company
“Shareholder(s)”	means the holder(s) of the ordinary shares in the issued share capital of the Company
“Specific Mandate”	means the specific mandate to be sought from the Shareholders at the EGM to create the Conversion Rights for attachment to the Bonds and issue new Shares to satisfy the allotment and issue of the Conversion Shares upon full conversion of the Bonds if such Conversion Rights are created and attached to the Bonds
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Takeovers Code” means The Hong Kong Code on Takeovers and Mergers

“%” means per cent



SinoCom

SINOCOM SOFTWARE GROUP LIMITED

中訊軟件集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 299)

Executive Directors:

Mr. Wang Zhiqiang (*Co-chairman*)
Mr. Zuo Jian Zhong (*Co-chairman*)
Mr. Tang Yau Sing
Mr. Zhang Zhige
Mr. Liu Wei

Registered Office:

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Independent Non-executive Directors:

Mr. Chui Man Lung, Everett
Mr. Han Chu
Mr. Wu Hong

Head Office and Principal Place

of Business in Hong Kong:
Unit 2001, 20/F., Lippo Centre
Tower 2, No. 89 Queensway
Admiralty
Hong Kong

23 July 2015

To the Shareholders

Dear Sir or Madam,

**(1) PLACING OF BONDS UNDER SPECIFIC MANDATE
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 5 June 2015, 11 June 2015 and 22 June 2015. As disclosed in the announcements, the Placing Agreement was entered into between the Company and the Placing Agent in relation to the Placing.

LETTER FROM THE BOARD

In accordance with the Placing Agreement, the Bonds were issued on Closing Date in the form of the debt instrument without Conversion Rights and, as from the date when the latter of the following two conditions (collectively, the “**Conversion Conditions**”) as stated below are fulfilled (the “**Conversion Rights Creation Date**”), the Conversion Rights will attach to the Bonds subject to and in accordance with the terms of the conditions of the Bonds:

- (i) the passing of a resolution by the Shareholders in general meeting approving the grant of the Specific Mandate; and
- (ii) the Stock Exchange granting approval for the creation of the Conversion Rights (subject to conditions as set out in the listing approval) and the approval of listing of and permission to deal in all the Conversion Shares which has not been withdrawn or revoked.

In the event that the abovementioned conditions are not fulfilled by 5:00 p.m. on 31 August 2015, or if the Stock Exchange has decided to withdraw, revoke or not to grant the approval of listing of and permission to deal in all the Conversion Shares, or if the resolution approving the Specific Mandate is not duly passed by the Shareholders at the EGM (whichever is the earliest) (the “**Non-fulfillment**”, and the date of Non-fulfillment shall be the “**Non-fulfillment Date**”), the Conversion Rights shall continue to remain unattached to the Bonds and shall be void and extinguished, and the Bondholders may exercise the right of redemption in accordance with mechanism as disclosed in the paragraph headed “Principal Terms of the Bonds” below.

The purpose of this circular is to provide you with, amongst other things, (i) further details of the Specific Mandate in relation to the creation of the Conversion Rights for attachment to the Bonds and (ii) the notice of the EGM.

THE BONDS

As set out in the announcement of the Company dated 22 June 2015, Completion of the Placing of the Bonds in the aggregate principal amount of HK\$200,000,000 took place on the Closing Date, and the Bonds in the aggregate principal amount of HK\$200,000,000 have been issued to Zhongrong International Trust Co., Ltd. (中融國際信託有限公司), an Independent Third Party. Zhongrong International Trust Co., Ltd. operates as a financial firm offering investment services, and also provides trust management in currency markets, financial derivatives, real estate investments, and venture capital, as well as offers securities trading services.

As at the Latest Practicable Date, according to the register of bondholders of the Bonds, the Bonds in the aggregate principal amount of HK\$200,000,000 were held by Zhongrong International Trust Co., Ltd.

LETTER FROM THE BOARD

Principal Terms of the Bonds

Issuer: The Company

Aggregate principal amount issued on the Closing Date: HK\$200,000,000

Interest Rate: The Bonds bear interest from and including the Issue Date to and including the Maturity Date at the following interest rate (the “**Interest Rate**”) on the principal amount of the Bonds:

- (i) in respect of the one-year period commencing from and including the Issue Date to and including the last day of such period (the “**Interest Payment Date**”), 30% per annum;
- (ii) in respect of the one-year period commencing from and including the next calendar day of the Interest Payment Date to and including the Maturity Date, 30% per annum.

In the event of the fulfilment of the Conversion Conditions, the interest rate will be revised (the “**New Interest Rate**”) as follows:

- (i) in respect of the one-year period commencing from and including the Issue Date to and including the Interest Payment Date, 5% per annum;
- (ii) in respect of the one-year period commencing from and including the next calendar day of the Interest Payment Date to and including the Maturity Date, 15% per annum

and interest in respect of the Bonds shall be incurred at the relevant New Interest Rate during the respective period on the principal amount of the Bonds from time to time outstanding with retrospective effect such that the Bonds shall bear and shall be treated as having borne interest from the Issue Date at the New Interest Rate up to and including the date of redemption by the Company.

Each Bond or portion of a Bond will cease to bear interest where the Conversion Rights attached to it shall have been exercised by a Bondholder, from and including the Interest Payment Date immediately preceding the relevant date of conversion of the Bond, or if none, the Issue Date.

Maturity Date: 24 months from the Issue Date, provided that if such day is not a Business Day, the Business Day immediately after such date, which is 21 June 2017.

LETTER FROM THE BOARD

Redemption: The Bonds shall not be redeemed (in whole or in part) at the option of the Company commencing from the Issue Date up to and including the day immediately before the Maturity Date.

In the event of Non-fulfillment, on and before the 10th Business Day after the Non-fulfillment Date, the Bondholders may notify and require the Company to, and the Company shall, not later than the close of business in Hong Kong on the 15th Business Day after such notification, redeem those Bonds in whole or in part at a price equivalent to 100% of the principal amount of the Bonds so redeemed together with the interest accrued but unpaid at the Interest Rate in respect thereof from the Issue Date to the date of redemption by the Company. This right of redemption shall lapse and shall be extinguished after the close of business on the 10th Business Day after the Non-fulfillment Date.

On and before the 10th Business Day after the Interest Payment Date, the Bondholders may notify and require the Company to, and the Company shall, not later than the close of business in Hong Kong on the 15th Business Day after such notification, redeem those Bonds in whole or in part at a price equivalent to 100% of the principal amount of the Bonds so redeemed together with the interest accrued but unpaid at, in the case where the Conversion Rights are created and attached to the Bonds, the New Interest Rate, and in the case where there is Non-fulfillment, the Interest Rate, in respect thereof from the Issue Date up to and including the Interest Payment Date. This right of redemption shall lapse and shall be extinguished after the close of business on the 10th Business Day after the Interest Payment Date.

Any principal amount of the Bonds which has not been converted in accordance with the terms and conditions of the Bonds by the Maturity Date (if relevant) shall be redeemed by the Company on or before the 15th Business Day after the Maturity Date in whole at a price equivalent to 100% of the principal amount of the outstanding Bonds together with the interest accrued but unpaid at, in the case where the Conversion Rights are created and attached to the Bonds, the New Interest Rate, and in the case where there is Non-fulfillment, the Interest Rate, in respect thereof from the Interest Payment Date up to and including the Maturity Date.

Ranking of the Conversion Shares: In the event that the Conversion Conditions are fulfilled, the Conversion Shares to be issued upon the exercise of the Conversion Rights shall rank pari passu in all respects among themselves and with all other fully paid Shares in issue on the conversion date of the Bonds.

LETTER FROM THE BOARD

- Conversion Period:** The period commencing from 2 October 2015 or the Conversion Rights Creation Date, whichever is later, and up to and including the 7th day immediately preceding the Maturity Date.
- Conversion Shares:** Given that the Bonds are fully placed, and assuming that the Conversion Conditions are fulfilled, based on the initial Conversion Price of HK\$2.50 per Conversion Share, a maximum number of 80,000,000 Conversion Shares will be allotted and issued upon exercise of the Conversion Rights attached to the Bonds in full, which represent: (i) approximately 6.05% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 5.70% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the Conversion Rights which may attach to the Bonds in full (assuming there is no other change in the issued share capital of the Company between the Latest Practicable Date and the full conversion of the Bonds).
- Conversion Rights:** Subject to the fulfillment of the Conversion Conditions, the Bondholders will have the right to convert the whole or part of the principal amount of the Bonds (in minimum amount of HK\$5,000,000 or whole multiple thereof) into Conversion Shares at the Conversion Price of HK\$2.50 per Conversion Share at any time during the Conversion Period.
- Conversion restriction:** The Bondholder shall not exercise any Conversion Rights to such an extent that results or will result in (i) the Bondholder and parties acting in concert with it triggering a mandatory offer obligation under the Takeovers Code; or (ii) less than 25% or the minimum prescribed percentage as set out in the Listing Rules of the Company's issued shares being held by the public immediately after the relevant exercise of Conversion Rights or the breach of rule 8.08 of the Listing Rules.
- No Conversion Rights may be exercised by any person who is a restricted holder as provided in the Placing Agreement.
- Conversion Price:** The Conversion Price of HK\$2.50 represents:
- i. a premium of approximately 8.23% to the closing price of HK\$2.31 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
 - ii. a discount of approximately 41.04% to the closing price of HK\$4.24 per Share as quoted on the Stock Exchange on the Date of Announcement;

LETTER FROM THE BOARD

- iii. a premium of approximately 4.69% to the average of the closing prices of HK\$2.388 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Latest Practicable Date; and
- iv. a premium of approximately 411.25% over the audited net asset value of approximately HK\$0.489 per Share as at 31 December 2014 (based on the audited consolidated net assets of the Group of approximately HK\$643,464,000 as at 31 December 2014 and 1,315,835,128 Shares in issue as at 31 December 2014).

The Conversion Price is subject to adjustments upon occurrence of certain “Adjustment Events” as described below.

Adjustment Events:

The Conversion Price will be subject to adjustments upon the occurrence of the following events:

- (i) an alteration of the number of issued Shares by reason of consolidation or sub-division;
- (ii) an issue of Shares credited as fully paid by way of capitalisation of profits or reserves;
- (iii) a capital distribution (as such term is defined in the terms and conditions of the Bonds) or a grant of right to acquire for cash assets of the Company to the Shareholders being made by the Company;
- (iv) an issue of Shares to Shareholders by way of rights or open offer or issue of any options or warrants to subscribe for any Shares, in each case at less than 80% of the market price of the Shares;
- (v) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for Shares, at a consideration per Share which is less than 80% of the market price of the Shares, or the conversion, exchange or subscription rights of any securities (other than in accordance with the terms applicable thereto) are altered or modified so that the consideration per Share is less than 80% of the market price of the Shares; and
- (vi) an issue of Shares being made wholly for cash at a price less than 80% of the market price of the Shares.

Voting:

The Bondholder shall not be entitled to attend or vote at any general meetings of the Shareholders of the Company by reason only it being the Bondholder.

LETTER FROM THE BOARD

- Transferability: The Bonds are assignable and transferable provided that:
- (i) the assignment and the transfer shall be in compliance with the applicable laws and regulations, and the Listing Rules on the Stock Exchange;
 - (ii) no assignment or transfer shall be made to a connected person of the Company; and
 - (iii) the principal amount to be assigned or transferred is at least HK\$5,000,000 and in integral multiples of HK\$5,000,000 unless the outstanding principal amount of the Bonds is less than HK\$5,000,000 in which case the whole (but not part only) of that amount may be assigned and transferred.
- Event of Default: If any of the following events occur, a Bondholder may, prior to the Maturity Date, give notice to the Company that the Bond shall on the giving of such notice immediately become due and payable at its principal amount together with any accrued interest calculated up to and including the date of repayment:
- (i) the Company defaults in performance any of its other obligations set out in the terms and conditions of the Bonds which default is incapable of remedy or, if capable of remedy, is not in the reasonable opinion of the Bondholder remedied within 30 Business Days after notice of such default shall have been given to the Company by such Bondholder;
 - (ii) any bank borrowings of the Company, or its Major Subsidiaries are not paid when due;
 - (iii) the Company or its Major Subsidiaries fails to pay when due any amounts payable by it under any present or future guarantee;
 - (iv) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed on the whole or any substantial part of the undertaking, property, assets or revenues of the Company or its Major Subsidiaries;
 - (v) the Company or any of its Major Subsidiaries becomes insolvent or is unable to pay its debts as they mature;
 - (vi) an order is made or an effective resolution passed for winding-up of the Company or any of its Major Subsidiaries except for the purpose of the reorganisation of the Group;
 - (vii) a moratorium is agreed or declared in respect of any indebtedness of the Company or any of its Major Subsidiaries;

LETTER FROM THE BOARD

- (viii) suspension of trading of the Shares on the Stock Exchange or a recognised stock exchange for a continuous period of 20 Business Days and which will constitute a material adverse effect on the Group, subject to certain exceptions; or
- (ix) the Shares (as a class) cease to be listed on the Stock Exchange or a recognised stock exchange (for the avoidance of doubt excluding suspension of trading or trading halt).

Listing:

No application has been or will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange.

Subject to the creation of the Conversion Rights, application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares that may be allotted and issued upon the exercise of the Conversion Rights attached to the Bonds.

The Conversion Price, the Interest Rate and the New Interest Rate were arrived at after arm's length negotiations between the Company and the Placing Agent, taking into account of, among others, the prevailing market interest rates of the unsecured bond with conversion right or without conversion right, the recent trading performance of the Shares and the financial position of the Group. Taking into account (i) that the Bonds are unsecured obligations of the Company, (ii) that in the event the Conversion Conditions are not fulfilled, the Bonds will remain in the form of a debt instrument without Conversion Rights and (iii) the interest rate of similar unsecured debt in the market, the Directors consider that the Conversion Price, the Interest Rate and the New Interest Rate and the terms and conditions of the Bonds are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Specific Mandate to issue the Conversion Shares

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the EGM.

LETTER FROM THE BOARD

Changes of Shareholding Structure

The changes of the shareholding structure of the Company as at the Latest Practicable Date (if the Conversion Conditions are fulfilled and assuming there is no transfer of the Bonds since the Latest Practicable Date) upon full conversion of the Bonds at the initial Conversion Price are as follows:

Shareholders	At the Latest Practicable Date		Upon full conversion of the Bonds at the initial Conversion Price (assuming any outstanding share options not having been exercised and there is no other change in the issued share capital of the Company)	
	<i>Number of Shares</i>	<i>Approximate percentage</i>	<i>Number of Shares</i>	<i>Approximate percentage</i>
Benefit Power Inc.	175,990,000	13.31%	175,990,000	12.55%
Dymagin Global Limited	221,000,000	16.71%	221,000,000	15.76%
Power View Group Limited	250,000,000	18.90%	250,000,000	17.83%
Nomura Holding Inc	88,356,100	6.68%	88,356,100	6.30%
Zhongrong International Trust Co. Ltd.	0	0.00%	80,000,000	5.70%
Others	587,153,028	44.40%	587,153,028	41.86%
Total number of shares	1,322,499,128	100.00%	1,402,499,128	100.00%

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any person who has an interest or short position in the Shares, or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was recorded in the register kept by the Company under section 336 of the SFO.

Equity Fund Raising Activities In The Past Twelve-Month Period

Date of announcement	Event	Net proceeds and Intended use	Actual use of proceeds
28 November 2014	Placing of new shares	<p>HK\$136.5 million</p> <p>The net proceeds were intended to be used for future new business development opportunities in the mobile gaming industry.</p>	<p>HK\$136.5 million was used to acquire the entire interest in Heroic Coronet Limited (Refer to the announcement dated 30 January 2015)</p>

LETTER FROM THE BOARD

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

GENERAL INFORMATION ON THE GROUP

The Group is principally engaged in the provision of software outsourcing development and technical support services, and the design, development and operation of the mobile and web-games. In view of the operational performance of the software outsourcing development and technical support services business, the Group has currently been putting emphasis on the development of its mobile and web-game business.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS

The Directors consider that to raise funds for the Company by issuing Bonds is justifiable taking into account the recent favourable market conditions. The issue of Bonds represents an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position. The Directors consider that the issue of the Bonds is an appropriate means of raising additional capital for the Company since it will not have an immediate dilution effect on the shareholding of the existing Shareholders.

Completion of the Placing took place on the Closing Date. The gross proceeds of the Placing is approximately HK\$200,000,000. The net proceeds of the Placing of approximately HK\$194,000,000 will be used as follows:

Amount of proceeds	Intended use of proceeds
HK\$29,000,000	For general working capital use
HK\$165,000,000	For development of mobile gaming and sports-related mobile applications businesses
<u>HK\$194,000,000</u>	

The Group has been putting emphasis on the development of its mobile and web-game business. It is currently intended by the Company that the proceeds of HK\$165,000,000 will specifically be used for the possible acquisition of 九合天下(北京)科技有限公司 (Kingworld (Beijing) Technology Co., Ltd.), which is principally engaging in publishing, selling, developing and investing internet and mobile interaction entertainment products, including online games, browser-based games and games on mobile platforms. A framework agreement (as later supplemented and amended by the first supplemental agreement dated 2 April 2015 and the second supplemental agreement dated 1 June 2015) in relation to the possible acquisition of Kingworld (Beijing) Technology Co., Ltd. was entered into by the Company and the vendors on 18 December 2014. As disclosed in the announcement of the Company dated 9 June 2015, the Company is actively considering the said acquisition, and will comply with the applicable requirements of the Listing Rules if and when a formal agreement in relation to the said acquisition is entered into.

LETTER FROM THE BOARD

As the said possible acquisition of Kingworld (Beijing) Technology Co., Ltd. may or may not materialise, Shareholders or potential investors are reminded to exercise extreme caution when dealing in the Shares and other securities of the Company. If the said possible acquisition does not materialise, the Group may use the proceeds of HK\$165,000,000 for potential acquisitions and investment relating to its mobile and web-game business as and when opportunities arise.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and that the terms and conditions of the Placing Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned. The Directors also consider that the Placing will strengthen the financial position of the Group, and the funds raised from Placing allows the Company to pursue possible acquisition opportunities to further develop its mobile and web-game business. No directors have material interest in the Placing Agreement and therefore pursuant to the articles of association of the Company, no Director is required to abstain from voting on the resolutions approving the Placing Agreement and the terms and conditions of the Bonds.

LISTING RULES IMPLICATIONS

Pursuant to Rule 13.36(1)(a) of the Listing Rules, the issue of securities convertible into shares is subject to approval by the Shareholders. The creation of the Conversion Rights which will be attached to the Bonds will transform the Bonds from a debt instrument into securities convertible into shares. The EGM will be held for the purpose of, among other matters, considering, and if thought fit, approving (i) the creation of the Conversion Right which will be attached to the Bonds and (ii) the Specific Mandate. The notice of the EGM of the Company is set out on pages 17 to 18 of this circular. If you do not intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, on Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

The voting in respect of the resolutions (as set out in the notice of the EGM) at the EGM will be conducted by way of a poll. As at the Latest Practicable Date, to the extent that the Company was aware having made all reasonable enquiries, no shareholders have material interest in the Bonds or in respect of the creation of the Conversion Right which will be attached to the Bonds and the Specific Mandate, and therefore no shareholders are required to abstain from voting on the resolution approving the resolutions as set out in the notice of the EGM.

VOTING BY POLL

All the resolutions set out in the notice of the EGM would be decided by poll in accordance with the Listing Rules and the articles of association of the Company.

LETTER FROM THE BOARD

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy who is entitled to more than one vote need not use all his/its votes or cast all his/its votes in the same way.

After the conclusion of the EGM, the poll results will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.sinocom.cn.

RECOMMENDATION

The Directors are of the opinion that the creation and attachment of the Conversion Rights to the Bonds and the issue and allotment of the Conversion Shares at the Conversion Price upon the exercise of the Conversion rights (if created and attached to the Bonds) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders to vote in favour of all the resolutions to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board
SinoCom Software Group Limited
Wang Zhiqiang **Zuo Jian Zhong**
Co-Chairman *Co-Chairman*

NOTICE OF EGM



SinoCom

SINOCOM SOFTWARE GROUP LIMITED

中訊軟件集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 299)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of SinoCom Software Group Limited (the “**Company**”) will be held at Room 1804, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong at 11:00 a.m. on 13 August 2015 for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the creation of the conversion right (the “**Conversion Right**”) which will be attached to the bonds issued by the Company on 22 June 2015 in the aggregate principal amount of HK\$200,000,000 (the “**Bonds**”) in accordance with the terms and conditions of the Bonds, and the allotment and issue of any conversion shares of HK\$0.025 each (the “**Conversion Share**”) in the share capital of the Company upon the exercise of the Conversion Rights (if created and attached to the Bonds) be and are hereby approved, confirmed and ratified;
- (b) subject to The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the whole or such part of the Conversion Shares to be allotted and issued, the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue such relevant Conversion Shares upon the exercise of the Conversion Rights (if created and attached to the Bonds) at a conversion price (the “**Conversion Price**”) of HK\$2.50 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Bonds; and

NOTICE OF EGM

- (c) any Director be and is hereby authorized to exercise all powers of the Company and take all steps as might in his opinion be desirable, necessary or expedient in connection with the creation and attachment of the Conversion Rights to the Bonds and the issue and allotment of the Conversion Shares upon the exercise of the Conversion Rights (if created and attached to the Bonds) at the Conversion Price subject to adjustments in accordance with the terms and conditions of the Bonds.”

By Order of the Board
SinoCom Software Group Limited
Wang Zhiqiang Zuo Jian Zhong
Co-Chairman Co-Chairman

Hong Kong, 23 July 2015

Principal Place of Business in Hong Kong:
Unit 2001, 20/F., Lippo Centre
Tower 2, No. 89 Queensway
Admiralty
Hong Kong

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

As at the date hereof, the executive directors of the Company are Mr. Wang Zhiqiang, Mr. Zuo Jian Zhong, Mr. Tang Yau Sing, Mr. Zhang Zhige and Mr. Liu Wei; and the independent non-executive directors of the Company are Mr. Chui Man Lung Everett, Mr. Han Chu and Mr. Wu Hong.

Notes:

1. A shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxy(ies) (if he/she/it is the holder of two or more shares) to attend and on a poll, vote instead of him/her at the EGM that the appointment shall specify the number and class of shares in respect of which such proxy is so appointed. A proxy need not be a shareholder of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of authority, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any shares, any one of such joint holders may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of shareholders of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.