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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: 529)

DISCLOSEABLE TRANSACTION

in relation to

DISPOSAL OF 20% INTEREST IN ECS PERICOMP

The Board is pleased to announce that, on 18 June 2009, SiS Investment, a wholly-owned subsidiary of the Company, entered into the Share Sale Agreement with ECSB, pursuant to which SiS Investment has agreed to sell and ECSB has agreed to purchase 20% of the issued share capital of ECS Pericomp. The consideration for the Disposal is RM6,900,000 (equivalent to approximately HK\$15,180,000), which is to be satisfied by the issuance of the ECSB Shares upon Completion and payment of the balance in cash by ECSB to SiS Investment. Upon Completion, the Company will cease to have any interest in ECS Pericomp.

As one or more of the applicable percentage ratios for the Disposal contemplated under the Share Sale Agreement exceed 5%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules.

THE SHARE SALE AGREEMENT

Date

18 June 2009

Parties

- (1) SiS Investment as the vendor; and
- (2) ECSB as the purchaser.

Sale and Purchase of the Sale Shares

As at the date of the Share Sale Agreement, the Company, through its wholly-owned subsidiary, SiS Investment, is interested in 80,000 ordinary shares of RM1.00 each in ECS Pericomp, representing 20% of the issued share capital of ECS Pericomp.

Subject to the terms and conditions of the Share Sale Agreement, SiS Investment has agreed to sell and ECSB has agreed to purchase, the Sale Shares, at a consideration of RM6,900,000 (equivalent to approximately HK\$15,180,000). The Consideration shall be satisfied by ECSB in the following manner:

- (a) issuance of the ECSB Shares on Completion Date at an issue price equivalent to the indicative initial public offer price of the ECSB Shares of RM1.46 per share (equivalent to approximately HK\$3.21); and
- (b) the balance of the Consideration will be paid by ECSB to SiS Investment in cash within seven (7) days after the Proposed Listing.

Pursuant to the Share Sale Agreement, ECSB proposes to apply for a listing of its shares on the Main Board of Bursa Malaysia Securities Berhad, and will make applications with the relevant authorities regarding the Proposed Listing. In the event that the initial public offer price of the ECSB Shares does not equal to RM1.46 per share, the remaining balance of the Consideration will be adjusted accordingly and paid in cash by ECSB to SiS Investment.

The Consideration was determined by arm's length negotiation between the Parties with reference to the market conditions having regard to a number of factors including the net asset value of ECS Pericomp and its carrying value in the Group as at 31 December 2008, the prospect and the expected return in the business of distribution of ICT products carried on by ECS Pericomp.

Conditions Precedent

Completion shall be conditional upon satisfaction or waiver (to the extent such condition can be waived under the Share Sale Agreement) of the following conditions:

- (a) the obtaining of the approval of the Securities Commission of Malaysia for the Proposed Listing, the sale and purchase of the Sale Shares and the issuance of the ECSB Shares;
- (b) the obtaining of the approval in principle of the Bursa Malaysia Securities Berhad for the listing of and quotation for the ECSB Shares and the Proposed Listing;
- (c) the entire portion of the ordinary shares to be made available for subscription to a public issue by ECSB and the entire portion of the ordinary shares to be reserved for offer for sale by the promoters of ECSB pursuant to the Proposed Listing having been fully subscribed for and paid up by the investors and/ or the underwriter(s), as the case may be;
- (d) the obtaining of the approval of the directors and shareholders of ECSB for the purchase of the Sale Shares and the issuance of ECSB Shares;
- (e) the obtaining of the approval of the directors of ECS Pericomp for the sale and purchase of the Sale Shares;
- (f) the obtaining of the approval of the directors and shareholders of SiS Investment for the Disposal, if required;
- (g) the obtaining of the approval of the shareholders of VST Holdings Limited, being the ultimate controlling shareholder of ECSB, for the acquisition of the Sale Shares by ECSB; and
- (h) the obtaining of the approval of the Stock Exchange and such other approvals from the relevant authorities for the Disposal, if applicable.

In the event that any of the conditions of the Share Sale Agreement is not fulfilled or waived (to the extent such condition can be waived under the Share Sale Agreement) by the Parties before the expiration of a period of twelve (12) months from the date of the Share Sale Agreement or any extended period as the Parties may mutually agree in writing, the Share Sale Agreement will terminate and be null and void thereafter.

If the approval of any relevant authorities is obtained subject to terms and conditions which would adversely affect any of the Parties (the "**Affected Party**") and are not acceptable to such Affected Party, the Affected Party may seek an amendment or waiver of such terms and conditions by giving notice to the other Party, and submitting to the appropriate authorities an appeal for amendment or waiver or such terms and conditions, in accordance with the terms of the Share Sale Agreement.

If the terms of the Share Sale Agreement are to be varied (the "**Variations**") pursuant to the conditions imposed by any of the relevant authorities, and the Variations are accepted by the Parties, such Variations will be made to

the Share Sale Agreement accordingly, including but not limited to the adjustment of the number of the ECSB Shares to be issued by ECSB to SiS Investment. If the Variations or the decision of the relevant authority pursuant to an appeal by the Affected Party are not accepted by the Parties, the Parties shall negotiate in good faith with a view to adjusting the terms of the Share Sale Agreement. If the Parties fail to reach any agreement in respect of the Variations, the Share Sale Agreement will terminate and be null and void thereafter.

INFORMATION RELATING TO THE GROUP AND PARTIES TO THE SHARE SALE AGREEMENT

The Group is principally engaged in distribution of information technologies and related hardware and software products, investment trading and property investment. SiS Investment, being a wholly-owned subsidiary of the Company, is an investment holding company.

ECS Pericomp is principally engaged in the distribution of ICT products. As at the date of the Share Sale Agreement, ECS Pericomp is an associated company of the Company, which is owned as to 20% by SiS Investment and as to 80% by ECSB indirectly. Upon Completion, the Company will cease to have any interest in ECS Pericomp.

ECSB is a subsidiary of ECS Holdings Limited, a company incorporated in Singapore and listed on Singapore Stock Exchange, which is in turn owned as to approximately 90% by VST Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code 856). ECSB is principally engaged in investment holding and the provision of e-commerce systems and solutions. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, ECSB and the ultimate beneficial owner of ECSB are third parties independent of the Company and connected persons of the Company.

FINANCIAL INFORMATION OF THE SALE SHARES

For the financial year ended 31 December 2007, the audited net profits before and after taxation and extraordinary items attributable to the Sale Shares were approximately RM1,278,000 (equivalent to approximately HK\$2,812,000) and RM933,000 (equivalent to approximately HK\$2,053,000), respectively. For the financial year ended 31 December 2008, the audited net profits before and after taxation and extraordinary items attributable to the Sale Shares were approximately RM1,321,000 (equivalent to approximately HK\$2,906,000) and RM967,000 (equivalent to approximately HK\$2,127,000), respectively.

As at 31 December 2007 and 31 December 2008, the audited net asset value of the Sale Shares were approximately RM4,357,000 (equivalent to approximately HK\$9,585,000) and RM5,324,000 (equivalent to approximately HK\$11,713,000) respectively. The audited financial statements of ECS Pericomp during the relevant period were prepared in accordance with Financial Reporting Standards, accounting principles generally accepted and the Companies Act, 1965 in Malaysia. The carrying value of the Sale Shares on the Group's consolidated accounts as at 31 December 2008 was HK\$11,926,000.

REASONS FOR AND BENEFITS OF THE DISPOSAL

ECSB is undergoing a restructuring in preparation of the Proposed Listing, as part of which ECSB proposes to acquire the entire interest in ECS Pericomp. Accordingly, ECSB has offered to acquire the Sale Shares from SiS Investment at the consideration of RM6,900,000 (equivalent to approximately HK\$15,180,000), which is to be satisfied by the issuance of the ECSB Shares and payment of the balance in cash. The Directors are of the view that the Disposal offers a good opportunity for the Company to dispose of its minority interest in ECS Pericomp with a reasonable return.

As a result of the Disposal, the Directors expect that the Group would record an unaudited gain on disposal of approximately HK\$3,254,000, representing the difference between the Consideration and the carrying value of the Sale Shares as at 31 December 2008. The sales proceeds will be used for general working capital purposes of the Group.

The Directors consider that the terms of the Share Sale Agreement are on normal commercial terms which are fair and reasonable, and the entering into of the Share Sale Agreement is in the best interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal contemplated under the Share Sale Agreement exceed 5%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules.

DEFINITIONS

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

“%”	per cent
“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 529)
“Completion”	completion of the Disposal pursuant to the Share Sale Agreement
“connected person”	shall have the meaning as ascribed to it under the Listing Rules
“Consideration”	RM6,900,000 (equivalent to approximately HK\$15,180,000), being the total consideration for the sale and purchase of the Sale Shares, which is to be satisfied by the issuance of the ECSB Shares upon Completion and payment of the balance in cash by ECSB to SiS Investment
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares by SiS Investment pursuant to the Share Sale Agreement
“ECS Pericomp”	ECS Pericomp Sdn Bhd, a company incorporated under the laws of Malaysia
“ECSB Shares”	1,000,000 ordinary shares of ECSB to be issued by ECSB to SiS Investment upon Completion as payment of part of the Consideration
“ECSB”	ECS ICT Berhad, a company incorporated under the laws of Malaysia
“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
“ICT”	information, communication and technology
“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parties”	the parties to the Share Sale Agreement, and “Party” shall be construed accordingly

“Proposed Listing”	the proposed listing of and quotation for the entire enlarged issued and paid up share capital of ECSB on the Main Board of Bursa Malaysia Securities Berhad
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“Sale Shares”	80,000 ordinary shares of RM1.00 each in ECS Pericomp, representing 20% of the issued share capital of ECS Pericomp
“Share Sale Agreement”	the sale and purchase agreement dated 18 June 2009 entered into between ECSB and SiS Investment in relation to the sale and purchase of the Sale Shares subject to the terms and conditions therein
“SiS Investment”	SiS Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

By Order of the Board
SiS International Holdings Limited
LIM Kia Hong
Chief Executive Officer

Hong Kong, 18 June 2009

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

In this announcement, amounts denominated in RM have been translated into HK\$ at an exchange rate of HK\$2.20 = RM 1.00, which is for reference only.

** For identification purpose only.*