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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)

MAJOR TRANSACTION - ACQUISITION OF PROPERTY AND RESUMPTION OF TRADING

On 16 October 2009, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional S&P Agreement with the Vendor for the acquisition of the Property located at the eighth floor of No. 9 Queen's Road Central, Hong Kong at a consideration of HK\$203,000,000.

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to Shareholders' approval pursuant to Rule 14.40. The Company shall obtain a written approval to the Acquisition from Gold Sceptre Limited, the controlling shareholder of the Company, which is beneficially interested in approximately 51.8 % of the issued share capital of the Company. By reason of the written approval from the controlling shareholder of the Company, a special general meeting of the Company to approve the Acquisition is not required pursuant to Rule 14.44 of the Listing Rules and will not be convened. A circular containing, inter alia, further information in respect of the Acquisition will be despatched to the Shareholders as soon as possible.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 19 October 2009 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 20 October 2009.

THE PROVISIONAL S&P AGREEMENT

On 16 October 2009, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional S&P Agreement with the Vendor for the acquisition of the Property at a consideration of HK\$203,000,000.

Parties

- (1) Well Nice Enterprises Limited, as the Vendor; and
- (2) SiS Capital Limited, an indirect wholly-owned subsidiary of the Company, or its nominees, as the Purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons. The principal business activity of the Vendor is property holding. There is no prior transaction and relationship between the Company and the Vendor and its associates in the last 12 months which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

Information of the Property

Subject to the terms and conditions of the Provisional S&P Agreement, the Vendor shall sell and the Purchaser shall acquire the Property, which is located at the eighth floor of No. 9 Queen's Road Central, Hong Kong and having a total gross floor area of approximately 13,721 square feet. The Property was estimated to be approximately HK\$208,000,000 as at 16 October 2009 by CB Richard Ellis Limited, an independent valuer.

Consideration and payment terms:

The consideration for the Acquisition is HK\$203,000,000, which shall be payable in three installments by the Purchaser. The consideration will be satisfied in full upon Completion, which is expected to take place on or before 19 January 2010.

The consideration for the Property has been determined after arm's length negotiations between the parties by reference to the prevailing market conditions. The consideration will be financed by a combination of internal resources of the Group and bank financing.

Completion

Completion of the Acquisition shall be subject to the obtaining of the major shareholders' approval of the Company on or before 16 December 2009. Subject to satisfaction of the condition to the Provisional S&P Agreement, completion of the Acquisition shall take place on or before 19 January 2010.

REASONS FOR THE ACQUISITION

The Group is principally engaged in distribution of information technologies and related hardware and software products, investment trading and property investment. The Acquisition allows the Group to enlarge its investment property portfolio and increase its long term rental income. Taking into account the above factors and the preliminary valuation of the Property by an independent professional valuer, the Directors consider that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Shareholders and the Company as a whole.

GENERAL

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to Shareholders' approval pursuant to Rule 14.40. The Company shall obtain a written approval to the Acquisition from Gold Sceptre Limited, the controlling shareholder of the Company, which is beneficially interested in approximately 51.8 % of the issued share capital of the Company. By reason of the written approval from the controlling shareholder of the Company, a special general meeting of the Company to approve the Acquisition is not required pursuant to Rule 14.44 of the Listing Rules and will not be convened. A circular containing, inter alia, further information in respect of the Acquisition will be despatched to the Shareholders as soon as possible.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 19 October 2009 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 20 October 2009.

DEFINITIONS

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

“%”	per cent
“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional S&P Agreement
“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 Acquisition pursuant to the Provisional S&P Agreement and/ or the formal agreement(s) to be entered into under its terms
“connected person”	shall have the meaning as ascribed to it under the Listing Rules
“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

“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Property”	the eighth floor of No. 9 Queen’s Road Central, Hong Kong and having a total gross floor area of approximately 13,721 square feet
“Provisional S&P Agreement”	the provisional agreement for sale and purchase of the Property dated 16 October 2009 entered into between the Vendor and the Purchaser
“Purchaser”	SiS Capital Limited, an indirect wholly-owned subsidiary of the Company, or its nominees
“Shareholder(s)”	Shareholder(s) of the Company, holder(s) of the ordinary share(s) of HK\$0.01 each of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Vendor”	Well Nice Enterprises Limited, a limited liability company incorporated in Hong Kong

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

Hong Kong, 19 October 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.

** For identification purpose only.*