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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)

### **CONTINUING CONNECTED TRANSACTIONS**

The Board of Directors of the Company announces that two subsidiaries of the Company have entered into Tenancy Agreements with two connected persons (as defined in the Listing Rules). The transactions contemplated under the Tenancy Agreements constitute continuing connected transactions under Rule 14A.14 of the Listing Rules, subject to reporting and announcement requirements pursuant to Rule 14A.34 of the Listing Rules but exempt from independent shareholders' approval requirements and are only subject to annual review requirements as set out in Rules 14A.37 to 14A.40 of the Listing Rules.

The Board of Directors of SiS International Holdings Limited (the "Company") announces that on 7 December, 2007, two of its indirectly wholly-owned subsidiaries, SiS International Limited and SiS Technologies Pte Ltd have entered into tenancy agreements with Ever Rich Technology Limited ("Ever Rich") and SiS Realty Pte Ltd ("SiS Realty") (the "Tenancy Agreements") respectively. Details of the Tenancy Agreements are as follows:

<b>Landlord</b>	<b>Tenant</b>	<b>Property</b>	<b>Term of Lease</b>	<b>Purpose</b>	<b>Total Area</b>	<b>Monthly Rental Amount</b>	<b>Existing Monthly Rental</b>
Ever Rich Technology Limited	SiS International Limited	Room 604 Eastern Harbour Centre, 28 Hoi Chak Street, Quarry Bay, Hong Kong	2 years commencing 1 January, 2008	Warehouse	3,318 sq. ft.	HK\$45,788	HK\$33,180
Ever Rich Technology Limited	SiS International Limited	Room 301-311 Eastern Harbour Centre, 28 Hoi Chak Street, Quarry Bay, Hong Kong	2 years commencing 1 January, 2008	Office and Warehouse	18,846 sq. ft.	HK\$260,075	HK\$188,460

SiS Realty Pte Ltd	SiS Technologies Pte Ltd	#01-06 to #01-10 4 Leng Kee Road, SiS Building, Singapore	2 years commencing 1 January, 2008	Warehouse	11,130 sq. ft.	S\$28,938	S\$26,713
SiS Realty Pte Ltd	SiS Technologies Pte Ltd	#02-02, #02-04 to #02-10, #02-12, #04-02, #04-07, #04-11A, #04-12, #05-12 and #06-08 4 Leng Kee Road, SiS Building, Singapore	2 years commencing 1 January, 2008	Office and Warehouse	28,843* sq. ft.	S\$66,339*	S\$30,442*

*\*Units #02-02, #02-04, #02-12, #04-02, #04-07, #04-11A and #04-12 of total area 13,623 square feet are additional spaces leased under the Tenancy Agreement when compared with existing tenancy agreements.*

Mr. Lim Kiah Meng, a Director of the Company, and his family own 80% of the issued share capital of Ever Rich. All the executive directors of the Company and their associates, as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), indirectly own 56% of the issued share capital of SiS Realty. Ever Rich and SiS Realty are connected persons (as defined in the Listing Rules) of the Company. Therefore the Tenancy Agreements constitute continuing connected transactions under Rule 14A.14 of the Listing Rules.

Based on the monthly rental payable under the Tenancy Agreements and the fluctuation of foreign currency, the maximum annual aggregate amounts payable for each of the year 2008 and 2009 will not exceed HK\$11.5 million (the "Annual CAP"). The aggregate annual rental of the Tenancy Agreements is about HK\$9,844,306 (exchange rate 1S\$ = HK\$5.4) and each of the applicable percentage ratios on an annual basis is less than 2.5% as calculated pursuant to Rule 14.07 of the Listing Rules. The transactions contemplated under the Tenancy Agreements are subject to reporting and announcement requirements but exempt from independent shareholders' approval requirements pursuant to Rule 14A.34, and are only subject to the annual review requirements as set out in Rules 14A.37 to 14A.40. Other than leasing additional spaces of 13,623 square feet under the Tenancy Agreements, existing aggregate annual rental, being the existing annual cap also, of the existing tenancy agreements for total area of 48,514 square feet amounted to HK\$5,814,636.

The Tenancy Agreements are entered into for renewal of to-be-expired leases and for additional spaces. The rental under the Tenancy Agreements is payable monthly in advance from internal funding. It has been determined by reference to the prevailing market rate of similar leases in the same buildings. The Directors, including the independent non-executive Directors, consider that the terms of the Tenancy Agreements are fair, reasonable and on normal commercial terms. The Directors consider that the Tenancy Agreements are on arm's length basis and for the best interest of the Company and its shareholders as a whole as its subsidiaries can lease office and warehouse space at rental no

less favourable than rental available from independent third parties in the market for comparable premises.

The Company and its subsidiaries are principally engaged in the distribution of computers products; provision of technical consultancy services; and investment holdings. The principal activity of Ever Rich is property investment, and SiS Realty's principal activities are rental collection and investment holdings. As the Tenancy Agreements constitute continuing connected transactions under the Listing Rules, details of the Tenancy Agreements will be included in the next published annual report and accounts of the Company pursuant to Rule 14A.45 of the Listing Rules.

By Order of the Board  
Chiu Lai Chun, Rhoda  
Company Secretary

Hong Kong, 12 December, 2007

*As at the date of this announcement, the executive Directors are Mr Lim Siam Kwee, Mr Lim Kiah Meng, Mr Lim Kia Hong, Mr Lim Hwee Hai and 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*