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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

On 24 June 2010, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the Memorandum S&P Agreement with the Vendor for the acquisition of the Property located at the twenty third floor of United Centre at No. 95 Queensway, Hong Kong at a consideration of HK\$184,000,000.

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 has obtained 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 on or before 16 July 2010.

THE MEMORANDUM S&P AGREEMENT

On 24 June 2010, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the Memorandum S&P Agreement with the Vendor for the acquisition of the Property at a consideration of HK\$184,000,000.

Parties

- (1) Sumitomo Corporation (Hong Kong) Limited, as the Vendor; and
- (2) Gain Best 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 import/export and general trading. 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 Memorandum S&P Agreement, the Vendor shall sell and the Purchaser shall acquire the Property, which is located at the twenty third floor of United Centre at No. 95 Queensway, Hong Kong and having a total gross floor area of approximately 20,489 square feet. The Property is occupied by the Vendor and its related company for their business use. Net rental income generated from the leased portion to its related company for the two financial years ended 31 December 2008 and 2009 amounted to HK\$974,688 and HK\$974,688 respectively. Upon Completion the Vendor shall lease back more than 90% of the Property at monthly rental of HK\$568,230 for three years with an option to renew for a further term of two years at market rent. The remaining portion shall be delivered in vacant possession.

A valuation report of the Property performed by an independent professional valuer to be appointed by the Company will be contained in the circular to be dispatched to the shareholders.

Consideration and payment terms

The consideration for the Acquisition is HK\$184,000,000, 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 18 November 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

Subject to satisfaction of the condition to the Memorandum S&P Agreement, completion of the Acquisition shall take place on or before 18 November 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, 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 controlling shareholder of the Company, Gold Sceptre Limited, which is beneficially interested in approximately 51.8 % of the issued share capital of the Company, has given written approval of the Acquisition. 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 on or before 16 July 2010.

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 Memorandum 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 Memorandum 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 twenty third floor of United Centre at No. 95 Queensway, Hong Kong and having a total gross floor area of approximately 20,489 square feet
“Memorandum S&P Agreement”	the memorandum of agreement for sale and purchase of the Property entered into between the Vendor and the Purchaser on 24 June 2010
“Purchaser”	Gain Best 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”	Sumitomo Corporation (Hong Kong) 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, 24 June 2010

As at the date of this announcement, the executive directors are Mr. Lim Kiah Meng, Mr. Lim Kia Hong, Mr. Lim Hwee Hai, Madam. 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.*