
IMPORTANT

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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)

Executive Directors:

Mr. Lim Siam Kwee
Mr. Lim Kiah Meng
Mr. Lim Kia Hong
Mr. Lim Hwee Hai
Ms. Lim Hwee Noi

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Independent Non-executive Directors:

Mr. Lee Hiok Chuan
Mr. Woon Wee Teng
Ms. Ong Wui Leng

Principal Place of Business in Hong Kong:

Room 301, Eastern Harbour Centre
28 Hoi Chak Street
Quarry Bay
Hong Kong

April 20, 2005

To the Shareholders

Dear Sir or Madam,

**ELECTION OF DIRECTORS AT THE ANNUAL GENERAL MEETING,
GENERAL MANDATE TO ISSUE AND
REPURCHASE SHARES
AND NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this letter is to provide you with information regarding the resolutions to be proposed at the Company's forthcoming annual general meeting (the "AGM") to be held on May 13, 2005 at 4:00 p.m.. These include (i) election of Directors who are due to retire at the AGM, and (ii) general mandates for the issue and repurchase shares of the Company.

* For identification purpose only

PROPOSED ELECTION OF DIRECTORS

In accordance with the Company's Bye-law, Mr. Lee Hiok Chuan, and Mr. Woon Wee Teng will retire by rotation at the AGM, and being eligible, have offered themselves for re-election. Ms. Ong Wui Leng who was appointed as Independent Non-executive Director of the Company during the year, will hold office until the AGM and, being eligible offer herself for re-election at the AGM.

The following are the particulars of the three Directors proposed to be elected at the AGM:

LEE Hiok Chuan, aged 69, has been an Independent Non-executive Director of the Company since 1992, and is a stockbroker in Hong Kong. Mr. Lee has more than thirty eight years' experience in finance and banking in Hong Kong. Mr. Lee will receive a Director's fee of HK\$160,000 for the year ended December 31, 2004.

WOON Wee Teng, aged 48, has been an Independent Non-executive Director of the Company since 1994, and is a Barrister-at-Law (Middle Temple), Barrister & Solicitor, A.C.T., Australia and Advocate & Solicitor, Singapore. Mr. Woon has been a practising lawyer for more than twenty one years. Mr. Woon will receive a Director's fee of HK\$160,000 for the year ended December 31, 2004.

ONG Wui Leng, aged 44, has been an Independent Non-executive Director of the Company since 2004, and has more than ten years of experience in corporate banking and another ten years of experience in corporate finance and management. She is presently the chief financial officer of a healthcare company in Singapore. Ms. Ong will receive a Director's fee of HK\$40,000 for the year ended December 31, 2004.

All the above Directors are not related to any Director, senior management or substantial or controlling shareholders of the Company. As at April 15, 2005, being the latest practicable date prior to the printing of this letter (the "Latest Practicable Date"), each of the three Directors was not interested in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract entered into between each of the three Directors and the Company. Each of the above Directors, all being Independent Non-executive Directors of the Company has made an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company is of the view that they meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

Any shareholder who wishes to nominate a person to stand for election as a Director of the Company at the AGM must lodge with the Company's principal place of business at 301, Eastern Harbour Centre, 28 Hoi Chak Street, Quarry Bay, Hong Kong within the period from Thursday, April 21, 2005 to Wednesday, April 27, 2005, both days inclusive, (i) his written nomination of the candidate, (ii) written confirmation from such nominated candidate of his willingness to be elected as Director and (iii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company.

GENERAL MANDATES

At the AGM of the Company, ordinary resolutions will be proposed for the renewal of the general mandates given to the Directors of the Company to exercise all powers of the Company to allot and issue new shares and repurchase issued and fully paid shares of the Company. Under such mandates (i) the number to allot and issue shares of HK\$0.1 each in the capital of the Company (the "Shares") may not exceed 20% of the issued share capital of the Company as at the date of the resolution granting the general mandate; (ii) the number of issued shares that the Company is authorised to repurchase on the Stock Exchange may not exceed 10% of the issued share capital of the Company as at the date of the resolution granting the general mandate; and (iii) the Directors may add such repurchase Shares, to the 20% general mandate under (i) above.

As at the Latest Practicable Date, there were 268,550,000 Shares in issue. Exercise in full of the mandates, on the basis that no further Shares are issued or repurchased prior to the date of the AGM, it could accordingly result in up to (i) 53,710,000 Shares being allotted and issued; and (ii) 26,855,000 Shares being repurchased by the Company. The mandates allows the Company to issue or to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which next annual general meeting of the Company is required to be held by its Bye-laws or any applicable law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the flexibility to make such repurchases when appropriate and beneficial to the Company. Such repurchases may enhance the net assets value of the Company and its assets and/or its earnings per Share.

As compared with the financial position of the Company as at December 31, 2004 (being the date of its latest published audited accounts), the Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company in the event that the repurchase mandate is exercised in full. However, the Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and the applicable laws of Bermuda. The Company is empowered under its Memorandum of Association to repurchase Shares pursuant to and in accordance with Section 42A of The Companies Act 1981 of Bermuda, as amended. The Bye-laws supplement the Company's Memorandum of Association by providing that this power is exercisable by the Directors upon such terms and subject to such conditions as they think fit. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant repurchased shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium or contributed surplus accounts of the Company. Under Bermuda law, a company's repurchased shares shall be treated as cancelled upon purchase and the company's issued share capital diminished by the nominal value of those shares accordingly (but such repurchase is not to be taken as reducing the amount of the Company's authorised share capital).

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor to the best of their knowledge and belief having made all reasonable enquires, any of their associate (as defined in the Listing Rules) has any present intention, in the event that the mandate is approved by shareholders, to sell Shares to the Company.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to do so in the event that the Company is authorised to make purchase of Shares.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the propose resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in Memorandum of Association and the Bye-laws of the Company.

TAKEOVERS CODE CONSEQUENCE

A repurchase of Shares by the Company may result in any increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Gold Sceptre Limited holds 52.27% of the issued share capital of the Company. In the event that the Directors of the Company should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Gold Sceptre Limited in the Company would be increased to approximately 58.07% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Code.

SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding the date of this letter, no Shares have been repurchased by the Company whether on the Stock Exchange or otherwise.

MARKET PRICES

During each of the previous twelve months before the date of this letter, the highest and lowest prices for shares on the Stock Exchange were as follows:

Month	PER SHARE	
	Highest HK\$	Lowest HK\$
2004		
April	0.68	0.59
May	0.60	0.56
June	0.66	0.59
July	0.60	0.55
August	0.60	0.58
September	0.62	0.59
October	0.59	0.58
November	0.65	0.58
December	0.71	0.57
2005		
January	0.65	0.52
February	0.68	0.59
March	0.68	0.63

PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 69 of the Company's Bye-laws, a resolution put to the vote of a general meeting of the shareholders shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (i) the chairman;
- (ii) at least three shareholders present in person or by proxy or representative for the time being entitled to vote at the meeting;
- (iii) any shareholder or shareholders present in person or by proxy or representative and representing not less than one-tenth of the total voting rights of all the shareholders having the right to attend and vote at the meeting; or
- (iv) any shareholders or shareholders present in person or by proxy or representative and holding shares in the Company conferring a right to attend and vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

RECOMMENDATION

The Directors consider that the proposed resolutions set out in the notice of AGM, including the approval of the mandates to issue new shares and repurchase issued and fully paid shares of the Company are in the interest of the Company and its shareholders. Accordingly, the Directors recommend you to vote in favour of the resolutions at the forthcoming AGM. The Directors will vote their shareholdings in favour of the resolutions.

Your faithfully,
On behalf of the Board of
SiS International Holdings Limited
Lim Siam Kwee
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of SiS International Holdings Limited (the "Company") will be held at Barker Room, 7/F, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on May 13, 2005 (Friday) at 4:00 p.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the financial year ended December 31, 2004.
2. To declare a final dividend.
3. To re-elect Directors and to authorise the Board to fix the remuneration of the Directors.
4. To appoint Auditors and to authorise the Directors to fix their remuneration.

As special business, to consider, and if thought fit, pass the following resolutions as ordinary resolutions:

5. **"THAT:**
 - (a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, in addition to any shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme or pursuant to a Rights Issue (as hereinafter defined), with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of this resolution;
 - (b) for the purpose of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by any applicable laws or the Company's Bye-laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this resolution. “Rights Issue” means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding for such purpose any shareholder who is resident in a place where such offer is not permitted under the law of that place) and, where appropriate, the holders of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of shares or such other equity securities.”

6. **“THAT:**

- (a) a general mandate be and is hereby unconditionally given to the Directors authorising repurchase by the Company on The Stock Exchange of Hong Kong Limited up to 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of this resolution;
- (b) such mandate shall authorise the Directors to procure the Company to repurchase shares at such price as the Directors may at their discretion determine; and
- (c) for the purpose of this resolution, “Relevant Period” has the same meaning as defined in resolution No. 5 of the notice convening this meeting.”

7. **“THAT** conditional upon the passing of the resolution Nos. 5 and 6 as set out in the notice convening this meeting, the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and in accordance with resolution No. 6 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution No. 5.”

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

Hong Kong, April 20, 2005

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, in the event of poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited, at the Company's Branch Share Registrar in Hong Kong, Secretaries Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the Meeting or adjourned Meeting.
3. The Register of Members will be closed from May 10, 2005 to May 13, 2005, both days inclusive, during which period no share transfer will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Secretaries Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on May 9, 2005.