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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in SiS International Holdings Limited, you should at once hand this circular together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)**

**RE-ELECTION OF DIRECTORS**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

**ADOPTION OF THE NEW SHARE OPTION SCHEME AND**

**TERMINATION OF THE EXISTING SHARE OPTION SCHEME**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the shareholders of SiS International Holdings Limited to be held at 3:00 p.m. on 21 May 2007 at Kellett Room I, 3/F, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong is set out in Appendix IV to this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Branch Share Registrar in Hong Kong, Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or an adjourned meeting if you so wish.

\* *For identification purposes only*

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## DEFINITIONS

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*In this circular, except where the context otherwise requires, the following expressions shall have the following meanings:*

“Adoption Date”	the date on which the New Share Option Scheme is deemed to take effect pursuant to paragraph (b) of Appendix III to this circular;
“AGM”	the annual general meeting of the Company to be held at 3:00 p.m. on 21 May 2007 at Kellett Room I, 3/F, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong or any adjournment thereof;
“Board”	the board of directors of the Company or a duly authorised committee thereof;
“Company”	SiS International Holdings Limited (新龍國際集團有限公司*), a company listed on the Stock Exchange and incorporated in Bermuda with limited liability;
“Directors”	the directors of the Company for the time being;
“Employee”	any part-time or full-time employee or officer of any member of the Group or of any Invested Entity;
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 31 May 2002;
“Grantee”	any Qualified Person who accepts the offer of the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person or persons who, in accordance with the applicable laws of succession, is or are entitled to any such Option (to the extent not already exercised) in consequence of the death of any such Qualified Person;
“Group”	the Company and its Subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Invested Entity”	a company, not being a Subsidiary, in which the Company or its Subsidiary holds any equity interest;

\* For identification purposes only

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## DEFINITIONS

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“Latest Practicable Date”	23 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as modified from time to time;
“New Share Option Scheme”	the new share option scheme to be adopted by the Company pursuant to Ordinary Resolution No. 8 as set out in the Notice of AGM in its present or any amended form;
“New Share Option Scheme Period”	a period of ten (10) years commencing from the Adoption Date;
“Notice of AGM”	the notice convening the AGM as set out in Appendix IV to this circular;
“Offer Date”	in respect of an Option, the date on which the Option is offered to an Qualified Person, which must be a business day (as defined in Chapter 1 of the Listing Rules);
“Operational Rules”	the detailed operational rules to be established by the Board from time to time pursuant to the New Share Option Scheme;
“Option”	an option to subscribe for Shares to be granted pursuant to the New Share Option Scheme;
“Option Period”	in respect of an Option, the period within which the Option may be exercisable being a period of time to be notified by the Board to each Grantee, which the Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the Offer Date;
“Ordinary Resolutions”	the proposed ordinary resolutions as referred to in the Notice of AGM;

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## DEFINITIONS

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“Qualified Persons”	(i) any executive director, or employee (whether full time or part time) of the Company, any Subsidiary or any Invested Entity; (ii) any non-executive director (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity; (iii) any supplier of goods or services to the Company, any Subsidiary or any Invested Entity; (iv) any customer of the Company, any Subsidiary or any Invested Entity; (v) any person or entity that provides research, development or technological support to the Company, any Subsidiary or any Invested Entity; and (vi) any such other consultant, adviser, contractor, business partner or service provider of the Company or its Subsidiary or any Invested Entity who in the absolute discretion of the Board has contributed or will contribute to the Group;
“Retiring Directors”	the Directors retiring at the AGM and, being eligible, are offering themselves for re-election at the AGM, in accordance with the Bye-laws of the Company;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shares”	shares of HK\$0.10 each (or of such other nominal amount as comprising the ordinary share capital of the Company as shall result from a sub-division or a consolidation of the share capital of the Company from time to time) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of section 2 of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong, as modified from time to time) of the Company;
“substantial shareholder”	as defined in Chapter 1 of the Listing Rules; and
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers.

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## LETTER FROM THE BOARD

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*This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.*



### **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 (*Chairman*)  
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 HM12  
Bermuda

*Independent Non-executive Directors:*

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

*Principal place of business  
in Hong Kong:*

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

27 April 2007

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
ADOPTION OF THE NEW SHARE OPTION SCHEME AND  
TERMINATION OF THE EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **I. INTRODUCTION**

The Company will propose at the AGM resolutions to, inter alia, re-elect the Retiring Directors and grant to the Directors the general mandates to issue and repurchase Shares upon the expiry of the current general mandates to issue Shares and repurchase Shares granted to the

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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Directors at the annual general meeting held on 19 May 2006 and to adopt the New Share Option Scheme in replacement and substitution of the Existing Share Option Scheme.

The purpose of this circular is to provide you with further information on resolutions to be proposed at the AGM and to give you the Notice of AGM at which the resolutions will be proposed to consider and, if thought fit, approve such matters.

### II. RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Company's Bye-laws 99(B), Madam Lim Hwee Noi, 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. Information on such Retiring Directors as required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

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 Room 301, Eastern Harbour Centre, 28 Hoi Chak Street, Quarry Bay, Hong Kong within the period from Friday, 27 April 2007 to Friday, 4 May 2007, 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.

### III. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, ordinary resolutions will be proposed for the renewal of the general mandates given to the Directors to exercise all powers of the Company to allot and issue new Shares; repurchase issued and fully paid Shares, and add back such repurchased Shares (if any) to the general mandate to allot and issue. The existing general mandates will expire at the AGM. Under such mandates (i) the number to allot and issue Shares may not exceed 20 per cent. 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 per cent. 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 under (ii) above to the 20 per cent. general mandate under (i) above.

Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the AGM, the number of Shares that may be issued pursuant to the general mandate to be given to the Directors to exercise all powers of the Company to allot and issue new Shares will be 53,710,000 Shares, being 20 per cent. of the issued share capital of Company as at the Latest Practicable Date.

An explanatory statement as required by the Listing Rules in connection with the repurchase mandate is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### IV. SHARE OPTION SCHEME

#### 1. Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 31 May 2002 and will expire on 30 May 2012.

Up to the Latest Practicable Date, no share options have been granted under the Existing Share Option Scheme since its adoption. As at the Latest Practicable Date, the Company has not adopted any share option scheme other than the Existing Share Option Scheme and no share options were granted and outstanding under the Existing Share Option Scheme.

#### 2. New Share Option Scheme

Two major changes have been made to the New Share Option Scheme, which are different from that of the Existing Share Option Scheme. Under the New Share Option Scheme, it is proposed that the option period should be revised from the original period commencing on the second anniversary of the Offer Date and ending on the tenth anniversary thereof, to a period of time to be notified by the Board to each Grantee, which the Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the Offer Date. In addition, the definition of “Qualified Person” has also been extended under the New Share Option Scheme to include (i) any executive and non-executive director (including independent non-executive director), employee, supplier of goods or services, customer of, or person or entity that provides research, development or technological support to the Company, any Subsidiary or any Invested Entity or (ii) any such other persons (including but not limited to consultant, adviser, contractor, business partner or service provider of the Company or its Subsidiary or any Invested Entity) who in the absolute discretion of the Board has contributed or will contribute to the Group.

The Directors consider that the revision enables the Company to have more flexibility to provide incentives and awards to a wider group of eligible persons for their contribution to the success of the Group. To ensure that this purpose is achieved by granting options to Qualified Person who are regarded as valuable human resources of the Group or who have contributed to the growth and success of the Group based on their performance and other factors (e.g. their years of service with the Company and/or work experience and/or knowledge in the industry etc.) that are relevant in deciding the contribution of such Qualified Person, the rules of the New Share Option Scheme do not specify, as conditions of any Option, any minimum holding period and/or performance targets before an Option is exercisable but provide that the Board is empowered with the authority to determine the terms on which an Option is granted in each case on the relevant factors as the Board in its sole discretion considers appropriate and in accordance with the provisions of the New Share Option Scheme. The Board believes that the authority given to the Board under the Share Option Scheme to specify any minimum holding period and/or performance targets as conditions in any Option granted and the requirement for a minimum subscription price as well as the authority to select the appropriate Qualified Person as prescribed by the rules of the Share Option Scheme will serve to protect the value of the Company as well as to achieve the purposes of the Share Option Scheme.



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## LETTER FROM THE BOARD

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Considering the objective of the share option scheme and in the best interest of the Group, the Directors propose that the New Share Option Scheme should be adopted in replacement and substitution of the Existing Share Option Scheme, which shall terminate subject to and conditional upon the passing of the ordinary resolution for the adoption of the New Share Option Scheme and it taking effect in accordance with its terms.

Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the adoption of the New Share Option Scheme, the number of Shares that may be issued pursuant to the New Share Option Scheme will be 26,855,000 Shares, being 10 per cent. of the issued share capital of Company as at the Latest Practicable Date. The Company may however obtain approval from its shareholders to refresh the said 10 per cent. limit in accordance with the Listing Rules, provided that the maximum number of Shares to be issued upon exercise of all outstanding options under the New Share Option Scheme and any other schemes must not exceed 30 per cent. of the issued share capital of the Company from time to time.

### **3. Value of the Options**

The Directors consider that it is inappropriate to value all the Options that can be granted pursuant to the New Share Option Scheme as at the Latest Practicable Date on the ground that certain crucial factors for such valuation are variables which cannot be reasonably determined at this stage. Such factors include without limitation, the exercise price, the exercise period and the restrictions, conditions and limitations (if any) imposed by the Board at its absolute discretion upon the granting of the Options. The Directors consider that any valuation of the Options based on speculative assumptions in respect of such variables would not be meaningful and the results thereof may be misleading to the shareholders.

### **4. Conditions Precedent**

The adoption of the New Share Option Scheme is subject to the following conditions:

- (i) the approval of the shareholders of the Company for the adoption of the New Share Option Scheme; and
- (ii) the Stock Exchange granting approval for the listing of and permission to deal in any Shares which may fall to be issued and allotted pursuant to the exercise of the Options to be granted under the New Share Option Scheme (in accordance with the terms and conditions of therein) and any other schemes, which must not in aggregate exceed 10 per cent. of the total issued share capital of the Company as at the date of approval of the New Share Option Scheme by the shareholders of the Company.

An application will be made to the Stock Exchange for obtaining the approval mentioned in paragraph (ii) immediately above.

For further particulars regarding the New Share Option Scheme, please refer to Appendix III to this circular.

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## LETTER FROM THE BOARD

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### V. ANNUAL GENERAL MEETING

The Notice of AGM is set out in Appendix IV to this circular. A form of proxy is enclosed for use by shareholders at the AGM. Shareholders are requested to complete and return the form of proxy to the Company's Branch Share Registrar in Hong Kong as soon as possible, but in any event not less than 48 hours before the scheduled time of the AGM. The lodging of the form of proxy will not preclude the shareholder from attending the AGM and voting in person should he so wish.

### VI. 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.

### VII. RECOMMENDATION

The Directors believe that the proposed resolutions set out in the Notice of AGM, including (a) re-election of the Retiring Directors (b) the approval of the mandates to (i) issue new Shares; (ii) repurchase issued and fully paid Shares; and (iii) add such repurchased Shares if any, to the general mandate to allot and issue new Shares; and (c) the proposed adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend you to vote in favour of all the resolutions to be proposed at the AGM.

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## LETTER FROM THE BOARD

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### VIII. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the New Share Option Scheme is available for inspection at the Company's principal place of business at Room 301, Eastern Harbour Centre, 28 Hoi Chak Street, Quarry Bay, Hong Kong during normal business hours on any business day up to and including 21 May 2007 and at the AGM.

Yours faithfully,  
For and on behalf of the Board of  
**SiS International Holdings Limited**  
**Lim Siam Kwee**  
*Chairman*

The following is the information, as required to be disclosed by the Listing Rules, on the Retiring Directors proposed to be re-elected at the AGM.

**LIM Hwee Noi**, as an executive director, aged 56, the daughter of Mr. Lim Siam Kwee, joined the Group in 1983 and is the Finance Director of the Group. Madam Lim holds a Bachelor's Degree in Commerce from Nanyang University, Singapore. She has been a certified public accountant in Singapore for more than twenty eight years.

As at the Latest Practicable Date, Madam Lim had personal interest in 2,276,000 Shares within the meaning of Part XV of the SFO. She is also a director of Gold Sceptre Limited which holds 52.27 per cent. shareholding in the Company as at the Latest Practicable Date. Madam Lim received a director fee and emoluments of HK\$1,426,000 for the year ended 31 December 2006.

**LEE Hiok Chuan**, as an independent non-executive director, aged 72, joined the Group in 1992 and is an investment consultant in Hong Kong. Mr. Lee has more than forty years' experience in finance and banking in Hong Kong. Mr. Lee is also a committee member of the Audit Committee and Remuneration Committee of the Company.

As at the Latest Practicable Date, Mr. Lee did not has any interest in the Company within the meaning of Part XV of the SFO. Mr. Lee received a director fee of HK\$188,000 for the year ended 31 December 2006.

**WOON Wee Teng**, as an independent non-executive director, aged 50, joined the Group in 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 three years. Mr. Woon is also a chairman of the Audit Committee and a committee member of the Remuneration Committee of the Company.

As at the Latest Practicable Date, Mr. Woon did not has any interest in the Company within the meaning of Part XV of the SFO. Mr. Woon received a director fee of HK\$188,000 for the year ended 31 December 2006.

None of the above Directors have service contracts for a specified term with the Company or its subsidiaries, and did not hold any directorships in other listed companies in the last three years. Save as disclosed above, the above Directors have no other relationship with any Directors, senior management or substantial or controlling shareholders of the Company. The emoluments are determined by reference to their duties, responsibilities, performance, the Group's results and the prevailing market conditions. Such emoluments are reviewed and approved by Remuneration Committee.

Each of the above independent non-executive Directors eligible for re-election at the AGM, has made an annual confirmation of independence pursuant to Rule 3.13 of 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.

Save as disclosed above, the Board is not aware of any other information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules. The Retiring Directors have further confirmed to the Board that save as disclosed above, there is no other matter that needs to be brought to the shareholders' attention in relation to their re-election as Directors.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the shareholders for their consideration of the repurchase mandate.

### **1. Share Capital**

As at the Latest Practicable Date, there were 268,550,000 Shares in issue.

The exercise of the mandates in full, on the basis that no further Shares are issued or repurchased prior to the date of the AGM, 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.

### **2. Reasons for Repurchases**

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.

### **3. Funding of Repurchases**

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).

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**APPENDIX II EXPLANATORY STATEMENT FOR REPURCHASE OF SHARES**

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As compared with the financial position of the Company as at 31 December 2006 (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.

#### **4. Share Prices**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months and the period from 1 April 2006 to the Latest Practicable Date were as follows:

<b>Month</b>	<b>Per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
April 2006	1.95	0.97
May 2006	1.77	1.05
June 2006	1.25	1.08
July 2006	1.59	1.25
August 2006	1.48	1.30
September 2006	1.53	1.09
October 2006	1.15	1.05
November 2006	1.15	1.06
December 2006	1.10	0.94
January 2007	1.15	0.95
February 2007	1.28	0.99
March 2007	1.19	0.98
April (up to the Latest Practicable Date)	1.34	1.13

#### **5. Directors, their associates and connected persons**

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

**6. 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.

**7. Takeovers Code**

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 Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Gold Sceptre Limited held 52.27 per cent. 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 the 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 per cent. 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 Takeovers Code.

**8. Share repurchases made by the Company**

The Company did not purchase any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**THE NEW SHARE OPTION SCHEME**

The following is a summary of the principal terms of the New Share Option Scheme:

**The purpose of the New Share Option Scheme**

- (a) The New Share Option Scheme seeks to recognize and acknowledge the contributions or potential contributions made or to be made by the Qualified Persons to the Group, to motivate the Qualified Persons to optimise their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the Qualified Persons whose contributions are or may be beneficial to the growth of the Group.

**Conditions Precedent of the New Share Option Scheme**

- (b) The New Share Option Scheme shall take effect subject to the passing of the necessary resolutions to adopt the New Share Option Scheme by the shareholders of the Company and is conditional upon the Listing Committee granting approval for the listing of and permission to deal in any Shares which may fall to be allotted and issued pursuant to the exercise of Options to be granted under the New Share Option Scheme (in accordance with the terms and conditions therein) and any other schemes, which must not in aggregate exceed 10 per cent. of the total issued share capital of the Company as at the date of approval of the New Share Option Scheme by the shareholders of the Company.

**Who may join**

- (c) The Board may at its discretion grant Options to (i) any executive director, or employee (whether full time or part time) of the Company, any Subsidiary or any Invested Entity; (ii) any non-executive director (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity; (iii) any supplier of goods or services to the Company, any Subsidiary or any Invested Entity; (iv) any customer of the Company, any Subsidiary or any Invested Entity; (v) any person or entity that provides research, development or technological support to the Company, any Subsidiary or any Invested Entity; and (vi) any such other consultant, adviser, contractor, business partner or service provider of the Company or its Subsidiary or any Invested Entity) who in the absolute discretion of the Board has contributed or will contribute to the Group.

**Price of Shares**

- (d) The subscription price (the "Subscription Price") in relation to each Option under the New Share Option Scheme shall subject to any adjustments to be made in the event of reorganization of capital structure of the Company pursuant to paragraph (w) below, be a price notified by the Board to the respective Qualified Person as set



out in the Offer Letter. Such price shall be the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the Offer Date; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five (5) business days (as defined in Chapter 1 of the Listing Rules) immediately preceding the Offer Date; or (c) the nominal value of the Shares.

### **Grant of Option**

- (e) Subject to the terms of the New Share Option Scheme, the Board shall be entitled but shall not be bound at any time during the New Share Option Scheme Period to offer to grant to any Qualified Person as the Board may in its absolute discretions select and subject to such conditions as the Board may think fit an Option to subscribe for such number of Shares as the Board may determine at the Subscription Price and on such terms as the Board thinks fit, provided that (i) no Option shall be granted under the New Share Option Scheme after the expiry of the New Share Option Scheme Period or after the termination of the New Share Option Scheme in accordance with the termination provisions under the New Share Option Scheme; (ii) no Option shall be granted if the Company would be required to issue a prospectus or offer document in respect of such grant under relevant and applicable laws or regulations; (iii) no Option shall be granted if the grant would result in a breach by the Company or its Directors of the relevant laws and regulations (including those relating to securities); and (iv) any Option, once issued, shall not be reissued under the New Share Option Scheme.
- (f) An offer of the grant of an Option shall be made a Qualified Person by letter (the "Offer Letter") in such form as the Board may from time to time determine requiring the Qualified Person to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme. Subject to the terms of the Offer Letter, there shall be no general performance target to the vesting or exercise of Options.
- (g) An Option shall be deemed to have been granted and accepted and to have taken effect when the duplicate Offer Letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$10.00 by way of consideration for the grant thereof shall have been received by the Company on or before the last day for acceptance as set out in the Offer Letter. Such remittance shall in no circumstance be refundable.

### **Terms of Options**

- (h) The Options granted must be accepted within ten (10) business days (as defined in Chapter 1 of the Listing Rules) from the date on which the offer is made (otherwise, the offer will be deemed to be irrevocably declined) provided that no such offer shall be open for acceptance after the expiry of the New Share Option Scheme Period or after the termination of the New Share Option Scheme in accordance with the provisions therein;

- (i) Unless otherwise stated and subject to the terms in the Offer Letter, the Options granted are not subject to any general performance target to the vesting or exercise of Options; and
- (j) Unless otherwise provided in the Offer Letter, the grant of an Option may be accepted for less number of Shares than it is offered provided that it is accepted in a board lot for dealing in Shares on the Stock Exchange or an multiple thereof and to the extent that the offer of the grant of an Option is not accepted before the last date for acceptance as set out in the Offer Letter, it will be deemed to have been irrevocably declined.

#### **Maximum number of Shares**

- (k) Subject to paragraphs (l) and (m) below, the maximum number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed such number of Shares as shall represent ten percent (10 per cent.) (“General Mandate”) of the total number of Shares in issue as at the date when the New Share Option Scheme is approved by the shareholders of the Company in general meeting. For the purpose of calculating the General Mandate, Options which have been lapsed in accordance with the terms of the New Share Option Scheme shall not be counted.
- (l) The Company may seek approval by its shareholders in general meeting for refreshing the General Mandate as referred to in paragraph (k) above provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Company under the General Mandate as being refreshed must not exceed 10 per cent. of the total number of Shares in issue as at the date when such General Mandate is approved by shareholders of the Company. For the purpose of calculating the General Mandate as refreshed, Options previously granted under the New Share Option Scheme and any other share option schemes of the Company, whether outstanding, cancelled, lapsed in accordance with its applicable rules or already exercised, will not be counted.
- (m) The Company may seek separate approval by its shareholders in general meeting for granting Options beyond the General Mandate provided the Options in excess of the General Mandate are granted only to Qualified Persons specifically identified before such approval is sought. A circular will be sent by the Company to its shareholders in accordance with the Listing Rules.
- (n) Notwithstanding any provisions to the contrary, the limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed such number of Shares as shall represent 30 per cent. of the Shares in issue from time to time.

- (o) Unless separately approved by shareholders in general meeting in the manner as prescribed in the Listing Rules, the total number of Shares issued and to be issued upon the exercise of the Option granted to each Qualified Person (including both exercised and outstanding Options) in any 12 month period must not exceed 1 per cent. of the Shares then in issue.

#### **Timing for exercise options**

- (p) The period during which an Option may be exercised by the Grantee (or his legal personal representative) (to the extent that it is vested and/or exercisable pursuant to the terms and conditions set out in the Offer Letter) in accordance with the terms of the New Share Option Scheme shall be at any time during the Option Period.

#### **Rights personal to Grantee**

- (q) An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so (save that the Grantee may nominate a nominee to hold the Shares to be issued pursuant to the exercise of Options granted under the New Share Option Scheme on trust for the sole benefit of such Grantee provided that evidence of such trust arrangement between the Grantee and the nominee shall be provided to the satisfaction of the Company). A breach or an attempted breach of this paragraph (q) may refer any Options granted revoked and the Grantee being barred from claiming any loss or damages against the Company or any of its directors for such revocation provided that the Company has acted in good faith.

#### **Rights on death/ceasing employment**

- (r) If the Grantee being an Employee ceases to be a Qualified Person for any reason other than his or her death or termination of his or her employment on one or more of the grounds specified in sub-paragraph (v) of paragraph (z) below or retirement in accordance with the terms of his or her contract of employment or by virtue of any statutory requirement, such Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent not already exercised) within the period of 1 month (or such longer period as the Board may determine) following the date of such cessation, which date shall be the last actual working day with the Company or the relevant Subsidiary or the relevant Invested Entity (as the case may be) whether salary is paid in lieu of notice or not.
- (s) If the Grantee (being an individual) ceases to be a Qualified Person by reason of death and, in the case of such Grantee is an Employee, none of the events which would be a ground for termination of his or her employment as specified in sub-paragraph (v) of paragraph (z) below has arisen, the legal personal

representative(s) of the Grantee shall be entitled within a period 12 months from the date of death (or such longer period as the Board may determine) to exercise the Option in full (to the extent not already exercised).

- (t) If the Grantee being an Employee ceases to be a Qualified Person by reason of retirement in accordance with the terms of his or her contract of employment or by virtue of any statutory requirement and none of the events which would be a ground for termination of his or her employment as specified in sub-paragraph (v) of paragraph (z) below has arisen, the Grantee shall be entitled within a period of 12 months from the date of retirement (or such longer period as the Board may determine) to exercise the Option up to his or her entitlement (to the extent not already exercised).
- (u) If the Grantee being a non-Employee in the absolute opinion of the Board ceases to be qualified as a Qualified Person by reason of termination of its business relation with the relevant member of the Group or otherwise, such Grantee shall be entitled within a period of 1 month from the date of termination (or such other period as the Board may determine) to exercise the Option up to its entitlement (to the extent not already exercised).

#### **Rights on a compromise or arrangement**

- (v) In the event of a compromise or arrangement between the Company and its shareholders or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (or his or her personal representative(s)) on the same day as it gives notice of the meeting to its shareholders or creditors to consider such compromise or arrangement, and the Options (to the extent not already exercised) shall become exercisable on such date and the Grantee may at any time thereafter until the earlier of (i) two calendar months after that date or (ii) the date on which such compromise or arrangement is sanctioned by court, exercise any of the Option whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Company may require the Grantee (or his or her personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

**Effect of capital alteration**

- (w) In the event of capitalization issue, rights issue, open offer, bonus issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board shall make (and shall notify to the Grantee) such corresponding alterations (if any) in:
- (a) the number or amount of Shares subject to any Option already granted so far as such Option remains unexercised; and/or
  - (b) the Subscription Price; and/or
  - (c) the number of Shares subject to the New Share Option Scheme,

that are required to give each Grantee the same proportion of the share capital as that to which the Grantee was previously entitled, but not so that the effect would be to enable any Share to be issued to a Grantee at less than its nominal value, provided that no adjustment to the Subscription Price and number of Shares should be made to the advantage of the Qualified Persons without specific prior approval of the shareholders of the Company.

Upon any adjustments required under this paragraph (w) other than a capitalisation issue, as the auditors for the time being of the Company or an independent financial adviser, shall certify in writing to the Board that such adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules, provided that any alteration shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain the same as that to which he was entitled before such alteration, but so that no such alteration shall be made the effect of which would be to enable any Share to be issued at less than its nominal value. The capacity of the auditors or an independent financial adviser herein is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the Grantees.

**Rights on voluntary winding up**

- (x) In the event of an effective resolution being passed for the voluntary winding-up of the Company, the Grantee (or his or her legal personal representatives) may by notice in writing to the Company within twenty-one (21) days after the date of such resolution elect to be treated as if the Option (to the extent not already exercised) had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the notice, such notice to be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given, whereupon the Grantee will be entitled to receive out of the assets available in the liquidation pari passu with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election.

**Rights on general offer**

- (y) If a general offer is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional during the Option Period of the relevant Option, the Grantee (or his or her legal personal representatives) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within fourteen (14) days after the date on which the offer becomes or is declared unconditional.

**Lapse of options**

- (z) An Option (whether vested or unvested) shall lapse automatically (to the extent not already exercised) on the earliest of:
- (i) the expiry of the Option Period;
  - (ii) the expiry of the periods referred to in paragraphs (r), (s), (t), (u), (x) and (y);
  - (iii) subject to paragraph (x), the date of the commencement of the winding-up of the Company;
  - (iv) subject to the scheme of arrangement or compromise becoming effective, the expiry of the periods referred to in paragraph (v);
  - (v) the date on which the Grantee being an Employee ceases to be a Qualified Person by reason of the termination of his or her employment on any one or more of the grounds that he or she has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity (as the case may be). A resolution of the Board or the board of directors of the relevant Subsidiary or the relevant Invested Entity (as the case may be) to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified herein shall be conclusive;
  - (vi) the date on which the Grantee commits a breach of paragraph (q);
  - (vii) if an Option was granted subject to certain conditions, restrictions or limitations, the date on which the Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitations;

- (viii) in the event of the Grantee being a non-Employee, the date on which the Board resolves that such Grantee ceases to be qualified as a Qualified Person by reason of termination of its business relation with the relevant member of the Group or by reason of its failure to comply with the provisions of the relevant contracts or agreements and/or its breaches of its fiduciary duties under common law or otherwise on other grounds as the Board considers appropriate; or
- (ix) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer Letter, if any.

### **Ranking of shares**

- (aa) The Shares to be allotted upon the exercise of an Option will be subject to all provisions of the memorandum and bye-laws of the Company and the Companies Act 1981 of Bermuda (as amended) for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date when the name of the Grantee is registered on the register of members of the Company (the "Registration Date"). Accordingly, the Shares will entitle the holders to participate in all dividends or other distributions paid or made on or after the Registration Date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which is before the Registration Date.
- (bb) The Shares issued upon the exercise of an Option shall not carry any voting rights until the registration of the Grantee or his nominee as the holder of the Shares on the register of members of the Company.
- (cc) Unless otherwise required by applicable laws, a Grantee shall have no rights as a shareholder of the Company with respect to any Shares covered by an Option before such Grantee exercises the same.

### **Life of the New Share Option Scheme**

- (dd) The New Share Option Scheme shall, subject to the fulfillment of conditions in paragraphs (b) and subject to (pp), be valid and effective during the New Share Option Scheme Period, after which no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects. In particular, all Options granted before the end of the New Share Option Scheme Period shall continue to be valid and exercisable after the end of such period in accordance with the terms of the New Share Option Scheme.

### **Alterations of the New Share Option Scheme**

- (ee) Any amendment to the New Share Option Scheme other than those set out in paragraph (ff) below must be approved by the majority of the Board or the scheme administrator.



- (ff) Subject to paragraph (gg) below, the following matters require the prior sanction of a resolution of the shareholders of the Company in general meeting:
- (a) any change to the provisions relating to:
    - (i) the definition clause of the New Share Option Scheme;
    - (ii) paragraphs (d) to (o), (q), (r) to (dd), (kk) to (nn), (pp) and this paragraph (ff); and
    - (iii) all matters set out in Rule 17.03 of the Listing Ruleswhich operates to the advantage of Qualified Persons or Grantees;
  - (b) any change to the authority of the Board or the scheme administrator;
  - (c) any amendment to the terms and conditions of the New Share Option Scheme which are of a material nature except where such amendment takes effect automatically under the existing terms of the New Share Option Scheme; and
  - (d) any amendment to the terms of Options granted except where such amendment takes effect automatically under the existing terms of the New Share Option Scheme.
- (gg) Notwithstanding any approval obtained pursuant to paragraph (ff), no amendment shall operate to adversely affect the terms of issue of any Option granted or agreed to be granted prior to such amendment except with the consent or sanction in writing of such number of Grantees as shall together hold Options in respect of not less than three-fourths in nominal value of all Shares then subject to the Options granted under the Scheme, except where such amendment takes effect automatically under the existing terms of the New Share Option Scheme.

### **Administration**

- (hh) Save and except in the case of disputes arising out of or in connection with the New Share Option Scheme where they shall be referred to the decision of the auditors for the time being of the Company, acting as experts and not arbitrators and whose decision shall be final and binding on all parties who may be affected thereby in the absence of manifest error, the New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters relating to the New Share Option Scheme or its interpretation or effect (save as otherwise provided) shall be final and binding on all parties affected thereby. In particular, the Board has the ultimate power to determine whether a person is eligible to participate in the New Share Option Scheme and shall finally determine whether a person is eligible to participate in the New Share Option Scheme.



- (ii) Without prejudice to any of the provisions of the New Share Option Scheme, the Board may from time to time adopt such Operational Rules as it may deem fit for the purpose of giving effect to or implementing the New Share Option Scheme including without limitation rules which may restrict the exercise of the Options granted or to be granted in any way or otherwise impose restrictions whatsoever on the part of the Grantee provided always that such Operational Rules shall not contravene the applicable provisions of the Listing Rules.
- (jj) Any alteration to the terms of the New Share Option Scheme by the Board or the administrators shall be approved by the shareholders of the Company in general meeting.

### **Options to Connected Persons**

- (kk) Any grant of Options to a connected person must be approved by all the independent non-executive directors of the Company (excluding independent non-executive director who is a proposed Grantee of such Options).
- (ll) Without prejudice to paragraph (kk) above, any grant of Options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates shall comply with paragraph (mm) if such proposed grant of Options, when aggregated with all Options (whether exercised, cancelled or outstanding) already granted to him/her during the 12 months period immediately preceding the date of such grant of Options, and upon exercise of all such Options so granted to him/her would (i) entitle him/her to receive more than 0.1 per cent. of the total issued Shares for the time being; and (ii) the value of which by reference to the closing price of the Shares on the Stock Exchange at the date of grant is in excess of HK\$5,000,000 (or such higher amount as shall be permissible under the Listing Rules from time to time).
- (mm) Any grant of Options referred to in paragraph (ll) must, in addition to obtaining the approval of the independent non-executive directors of the Company pursuant to paragraph (kk), be approved by the shareholders of the Company in general meeting where all connected persons of the Company must abstain from voting irrespective of whether they are Grantees of the Options concerned or not save and except a connected person may vote against the proposed grant in the general meeting provided that his/her intention so to do has been stated in a circular to be despatched to shareholders of the Company in accordance with the Listing Rules. Any vote taken at such general meeting to approve the grant of such Options must be taken on a poll in accordance with the Listing Rules.
- (nn) Any proposed change in the terms of the Options granted to a Grantee who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, must be approved by the shareholders of the Company in general meeting. The Company shall send a circular to its shareholders

regarding the proposed grant of the Options referred herein. At the general meeting, all connected persons of the Company must abstain from voting unless intending to vote against the proposed grant and that intention has been stated in the circular to be despatched to shareholders in accordance with the Listing Rules. At the general meeting, the vote must be taken on a poll in accordance with the relevant provisions of the Listing Rules.

### **Cancellation of Options**

- (oo) Subject to the consent from the relevant Grantee, the Board may in its discretion cancel Options previously granted to, and yet to be exercised by, such Grantee; provided that if such cancellation of Option is made for the purpose of re-issuing new Options to such Grantee, there must be sufficient available unissued Options (excluding such cancelled Options) for such re-issuance under the General Mandate.

### **Termination**

- (pp) The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in force in all other respects to the extent necessary to give effect to the exercise of the Options (to the extent not already exercised) granted prior to the termination or otherwise or may be required in accordance with the provisions of the New Share Option Scheme. All Options granted prior to the termination of the New Share Option Scheme but yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the New Share Option Scheme.



## SiS INTERNATIONAL HOLDINGS LIMITED

新龍國際集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 529)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of the shareholders of SiS International Holdings Limited (the “Company”) will be held at Kellett Room I, 3/F, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong on 21 May 2007 at 3:00 p.m., for the purpose of considering and, if thought fit, passing the following resolutions:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the financial year ended 31 December 2006.
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 Deloitte Touche Tohmatsu as the 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:

### ORDINARY RESOLUTIONS

5. “**THAT:**
  - (a) subject to (c) below, 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;
  - (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;

\* For identification purposes only

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) above, otherwise than any allotment of the shares of the Company (i) pursuant to a Rights Issue (as hereinafter defined) or; (ii) on the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time; or (iii) on the exercise of any options granted under the share option schemes of the Company; or (iv) in lieu of the whole or part of a dividend on shares in accordance with the Bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes 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.

“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) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose under the Code on Share Repurchases, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of securities authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; 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 general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional shares of the Company pursuant to the resolution set out in paragraph 5 of the notice convening this meeting be and is hereby extended by the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph 6 of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”
8. “**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval for the listing of and permission to deal in the shares which may fall to be issued by the Company pursuant to the exercise of options to be granted under the New Share Option Scheme (as defined in the circular despatched to the shareholders of the Company dated the same date as of the notice convening this meeting) the New Share Option Scheme (the rules of which are set out in the printed document marked “A” produced to this meeting and for the purpose of identification signed by the Chairman) be and is hereby approved and adopted in replacement of the existing share option scheme adopted by the Company on 31 May 2002 (the “Existing Share Option Scheme”) and that the board of directors of the Company be and is hereby authorised to do all such acts and to take all such steps and actions and to execute all such documents on behalf of the Company as may be necessary or expedient in order to give effect to the New Share Option Scheme, including without limitation, to issue and allot shares in the capital of the Company on terms therein mentioned.”
9. “**THAT**:
- (a) subject to and conditional upon the passing of resolution No. 8 set out in the notice convening this meeting and the New Share Option Scheme taking effect in accordance with its terms, the Existing Share Option Scheme be hereby terminated; and

- (b) for the purpose of this resolution, “New Share Option Scheme” and “Existing Share Option Scheme” have the same meaning as defined in resolution No. 8 of the notice convening this meeting.”

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

Hong Kong, 27 April 2007

*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 26/F., Tesbury Centre, 28 Queen’s Road East, 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 17 May 2007 to 21 May 2007, 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 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 16 May 2007.