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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: 00529)

MAJOR TRANSACTION

**ACQUISITION OF TRUST BENEFICIAL INTEREST OF
A PROPERTY IN JAPAN**

22 April 2016

* *For identification purposes only.*

CONTENTS

	<i>Pages</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I – FINANCIAL INFORMATION ON THE GROUP	8
APPENDIX II – UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY	10
APPENDIX III – PROPERTY VALUATION	12
APPENDIX IV – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	18
APPENDIX V – GENERAL INFORMATION	24

DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“%”	per cent
“Acquisition”	the acquisition of the Trust Beneficial Interest of a property by the Purchaser from the Seller pursuant to the Sale & Purchase 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: 00529)
“Completion”	completion of the Acquisition pursuant to the Sale & Purchase Agreement
“connected person”	shall have the meaning as ascribed to it under the Listing Rules
“controlling shareholder”	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
“JPY”	Japanese Yen, the lawful currency of Japan
“Latest Practicable Date”	19 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Purchaser”/“TMK SSG23”	Tokutei Mokuteki Kaisha SSG23, an indirect owned subsidiary of the Company
“Sale & Purchase Agreement”	the agreement for sale and purchase of the Trust Beneficial Interest of a property dated 25 February 2016 entered into between the Seller and the Purchaser
“Seller”	Kenedix Development Kabushiki Kaisha, a Japan-based company
“SFO”	the Securities and Futures Ordinance (Chapter 571) of Hong Kong
“Shareholder(s)”	Shareholder(s) of the Company, holder(s) of the ordinary share(s) of HK\$0.10 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Beneficial Interest”	<p>the trust beneficial interest of a property (including land and building) in Japan which consists of a hotel, offices and car park spaces</p> <p>The name of the property is SK Kashiwa Building (previously known as “Kashiwa Fames”) located in 14-1, Suehirocho, Kashiwa City, Chiba, Japan</p>
“Valuer”	CBRE Limited, an independent qualified valuer

The exchange rate adopted for the purpose of this circular is HK\$69 to JPY1,000.

LETTER FROM THE BOARD



SiS INTERNATIONAL HOLDINGS LIMITED

新龍國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00529)

Board of directors:

Executive Directors

Mr. Lim Kia Hong (*Chairman*)

Mr. Lim Kiah Meng

Mr. Lim Hwee Hai

Madam Lim Hwee Noi

Independent Non-executive Directors

Mr. Lee Hiok Chuan

Ms. Ong Wui Leng

Mr. Ma Shiu Sun, Michael

Registered office:

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Bermuda

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Hong Kong:

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Hong Kong

22 April 2016

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

ACQUISITION OF TRUST BENEFICIAL INTEREST OF A PROPERTY IN JAPAN

I. INTRODUCTION

On 25 February 2016, the Purchaser, TMK SSG23, an indirect owned subsidiary of the Company, has entered into the Sale & Purchase Agreement with the Seller for the acquisition of the Trust Beneficial Interest of a property (including land and building) in Japan which consists of a hotel, offices and car park spaces at a consideration of approximately JPY5,963,000,000 (equivalent to HK\$411,447,000).

* *For identification purposes only.*

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with further information in relation to the Acquisition. Details of the Acquisition are as follows:

II. THE SALE & PURCHASE AGREEMENT

Date

25 February 2016

Parties

- (1) Tokutei Mokuteki Kaisha SSG23, an indirect owned subsidiary of the Company, as the Purchaser; and
- (2) Kenedix Development Kabushiki Kaisha as the Seller.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The principal business activity of the Seller is real estate investment, consulting and management.

Information of the Trust Beneficial Interest

The property will be entrusted and held by a trustee which is a licensed trust bank in Japan whereas the beneficial ownership would be vested with the Seller before the Acquisition. Subject to the terms and conditions of the Sale & Purchase Agreement, the Seller shall sell and TMK SSG23 shall acquire the Trust Beneficial Interests of the property, including the lands and buildings, on the date of completion.

After Completion, the beneficial ownership is vested with the Purchaser (who is then become the beneficiary), the Company will indirectly holds 70% interests in the Purchaser and the trustee remains unchanged. The trustee is a local Japanese trust bank and is a third party independent of the Company and its connected persons. According to the trust agreement, commencing from 1 March 2016 until end of the trust period on the last day of February 2036 unless termination earlier, or otherwise mutually agreed extended date, the trustee is entitled to a fixed annual fee agreed between the Purchaser and the trustee and it shall manage the property in accordance with the trust agreement and the beneficiary's instructions. It shall manage the property separately from its own assets and assets of other trusts. The purpose of the trust is to manage, operate and dispose the trust assets. The trustee would receive lease revenue and pay majority expenses of the property on behalf of the beneficiary.

LETTER FROM THE BOARD

Total gross revenue generated from the leasing of the property for the three preceding financial years ended 31 March 2013, 2014 and 2015 amounted to approximately JPY451,000,000 (equivalent to HK\$31,119,000), JPY432,000,000 (equivalent to HK\$29,808,000) and JPY431,000,000 (equivalent to HK\$29,739,000) respectively. With the best estimation of the Company, for the nine months period ended 31 December 2015, total gross revenue amounted to approximately JPY324,000,000 (equivalent to HK\$22,356,000).

The property were valued as JPY6,760,000,000 (equivalent to HK\$466,440,000) as at 25 February 2016 by the Valuer, in which the valuation reports are set out in Appendix III to this circular.

Consideration and financing:

The consideration for the Acquisition is approximately JPY5,963,000,000 (equivalent to HK\$411,447,000). Total payable on Completion is approximately JPY6,500,000,000 (equivalent to HK\$448,500,000) comprising the consideration, the direct acquisition cost JPY333,254,000 (equivalent to HK\$22,995,000) as set out in Appendix IV and other costs such as bank charges and working capital. Approximately 65% of the total payable is financed by the Purchaser from bank borrowings of JPY4,250,000,000 (equivalent to HK\$293,250,000) on Completion, and the remaining is financed by the issuance of JPY2,250,000,000 (equivalent to HK\$155,250,000) preferred shares by the Purchaser (refer to section III “Co-Investment” below). The Company will pay 70% of the preferred shares JPY1,575,000,000 (equivalent to HK\$108,675,000) from internal resources.

The consideration for the Trust Beneficial Interest of the property has been determined after arm’s length negotiations between the Seller and the Purchaser by reference to the prevailing market conditions, as well as the location of the property and market price of comparable properties in the proximity. As the Company would hold 70% interests in the Purchaser after issuance of preferred shares, the Board considered that 70% of the consideration (i.e. JPY4,174,100,000 (equivalent to approximately HK\$288,012,900)) borne by the Company is fair and reasonable with reference to the 70% valuation price of the property.

Completion

The Acquisition has completed on 1 March 2016.

LETTER FROM THE BOARD

III. CO-INVESTMENT

To partially finance the Acquisition, the Purchaser would issue preferred shares of total JPY2,250,000,000 (equivalent to HK\$155,250,000) of which 70% would be issued to two indirect wholly-owned subsidiaries of the Group, and 30% would be issued to the ultimate holding company of the Seller, a third party independent of the Company and its connected persons, after execution of the Sale & Purchase Agreement. The 30% preferred shares holder will be the asset manager of the property.

After issuance of the preferred shares, the Purchaser would be held as to 70% indirectly by the Company and the remaining 30% by the ultimately holding company of the Seller. The issuance of 30% preferred shares to the ultimate holding company of the Seller has been completed and JPY675,000,000 (equivalent to HK\$46,575,000) has been received. The issuance of the all preferred shares has been completed on 26 February 2016. It constituted a deemed disposal of the Company's subsidiary but did not constitute any notifiable transaction of the Company under the Listing Rules as the ratio of the size tests were all below 5%.

IV. REASONS FOR THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in real estate investment, mobile and IT products distribution as well as investments in promising businesses. The Acquisition is in line with the Group's strategy in investing in income generating real estate with a potential of capital appreciation in the long term.

The Board carefully considered the location of property, rental income, age of the property and prevailing market conditions for the Acquisition. The property will be managed by appointed asset manager in Japan after the Acquisition. The asset manager is the 30% preferred shares holder as set out in the section headed "Co-Investment". It has over years of assets management experience in Japan.

Taking into account the above factors, the Board considers 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.

V. FINANCIAL EFFECT OF THE ACQUISITION

The property is held as an investment property in the Group after Completion. Based on the audited consolidated statement of financial position at 31 December 2015, and following the Acquisition, the investment properties of the Group is expected to increase by HK\$434,442,000; the total assets of the Group is expected to increase by HK\$28,172,000; and the net asset value of the Group is expected to be remain unchanged as the increase in investment properties will be offset by the decrease in cash and bank balances and increase in liabilities of the Group. It is estimated the property will contribute an annual revenue of approximately HK\$36,225,000 to the Group.

LETTER FROM THE BOARD

After issuance of the preferred shares, the Purchaser is a 70% indirect owned subsidiary of the Company. The financial results and position of the Purchaser would be consolidated in the Group's financial statements and 30% of non-controlling interests will be presented in the consolidated income statements and consolidated statement of financial position of the Group as well.

VI. 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. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders and its associates is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Acquisition.

The controlling shareholder of the Company, Gold Sceptre Limited, which has beneficial interest of approximately 50.6% of the issued share capital of the Company, has given written approval of the Acquisition. By reason of the written approval of 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.

VII. ADDITIONAL MATTERS

Your attention is drawn to the information set out in the appendices to this circular.

On behalf of the Board
SiS International Holdings Limited
LIM Kia Hong
Chairman

1. FINANCIAL SUMMARY

The published audited consolidated financial statements of the Group (i) for the year ended 31 December 2013 is disclosed on pages 29 to 99 of the 2013 annual report of the Company released on 29 April 2014; (ii) for the year ended 31 December 2014 is disclosed on pages 28 to 101 of the 2014 annual report of the Company released on 28 April 2015; and (iii) for the year ended 31 December 2015 is disclosed on pages 33 to 112 of the 2015 annual report of the Company released on 22 April 2016. All these financial statements have been published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.sisinternational.com.hk.

2. WORKING CAPITAL

After taking into account the present internal financial resources as well as the available banking and other facilities, and in the absence of unforeseen circumstances, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular, after the completion of the Acquisition.

3. STATEMENT OF INDEBTEDNESS

At the close of business on 29 February 2016, being the latest practicable date prior to the printing of this circular and for the purpose of this indebtedness statement, the Group had outstanding secured bank borrowings of approximately HK\$1,458,688,000 which were secured by properties, bank deposits, rental proceeds, trust beneficiary interests, or preferred shares and specified shares of subsidiaries, secured bonds of approximately HK\$142,485,000 which were secured by trust beneficiary interests, preferred shares and specified shares of subsidiaries and secured obligations under finance leases of approximately HK\$40,413,000. Except for secured bank borrowings of approximately HK\$130,549,000 and obligations under finance leases of approximately HK\$40,413,000 which are guaranteed by the Company, all other balances were not covered by any guarantees as at 29 February 2016.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not, at the close of business on 29 February 2016, have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptances credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors confirmed that except for the indebtedness arising from the Acquisition on Completion date 1 March 2016, there has been no material change in the indebtedness and contingent liabilities of the Group since 29 February 2016.

4. FINANCIAL AND TRADING PROSPECTS

The Acquisition is in line with the Group's strategy in investment in income generating real estate with potential of capital appreciation in the long term. As at 31 December 2015, the Group's net current liabilities were HK\$24 million with cash balance of HK\$845 million and the debt (i.e. the bank loans, bonds and obligations under finance leases) to shareholders' fund ratio was 56%. After the Completion of the Acquisition, which was funded by internal resources and bank borrowings, the Directors expect that the Group's financial position shall remain solid for at least the current financial year ending 31 December 2016.

The Company continues to grow its real estate portfolios. Japan has been enjoying positive growth in the recent years. The Group is encouraged by the growth opportunities particularly given Japan's economic recovery slated for the next several years. The Group believes that the number of tourists travelling to Japan will continue to increase in the near future in the face of devaluation of the Japanese Yen and the oncoming Olympics 2020 in Japan. Budget and business hotels business in Japan have become sizable. The acquisition of the property gave the opportunity to build on the momentum as it provides a steady income stream to the Group as well as potential for capital appreciation.

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, a profit and loss statement of the property for the three financial years ended 31 March 2013, 2014 and 2015, (the “Relevant Financial Periods”) are required to be included in this circular. Except for the revenue from the leasing of the property (the “Property”), the Group is unable to gain full access to the underlying books and records or other financial information of the Seller regarding the direct costs and other expenses for the preparation of the financial information of the property for the Relevant Financial Periods in compliance with the requirements of Rule 14.67(6)(b)(i) of the Listing Rules. The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with the Listing Rule 14.67(6)(b)(i), such that the following information be disclosed instead. Accordingly, it may not give a true picture of the performance of the property actually occurred during the Relevant Financial Periods.

Gross revenue generated from the leasing of property for the three financial years ended 31 March 2013, 2014 and 2015 amounted to approximately JPY451,000,000 (equivalent to HK\$31,119,000), JPY432,000,000 (equivalent to HK\$29,808,000) and JPY431,000,000 (equivalent to HK\$29,739,000) respectively. With the best estimation by the Company, for the nine months period ended 31 December 2015, the gross revenue generated from the leasing of the property amounted to JPY324,000,000 (equivalent to HK\$22,356,000). The monthly rental income for the leasing of property is approximately JPY36,000,000 (equivalent to HK\$2,484,000) of which about JPY11,364,000 (equivalent to HK\$784,000) are from the leasing of office spaces to varies tenants with average two years lease periods and the lease terms will expire from year 2016 to 2018. The lease terms of the hotel space is 20 years to September 2020. The car park spaces are operating by a tenant on revenue sharing basis and the lease term is renewable annually.

Based on limited information provided by the Seller such as the applicable property tax, building management fee and insurance expenses, estimated expenses in respect of the three financial years ended 31 March 2013, 2014 and 2015 and nine months period ended 31 December 2015 amounted to approximately JPY149,000,000 (equivalent to HK\$10,281,000), JPY151,000,000 (equivalent to HK\$10,419,000), JPY151,000,000 (equivalent to HK\$10,419,000) and JPY114,000,000 (equivalent to HK\$7,866,000) respectively. Save for the above limited information, no other expenses such as depreciation and finance costs were included. The information set out above is prepared using accounting policies which are materially consistent with those of the Company.

Notes:

In accordance with Listing Rules 14.67(6)(b)(i), the Directors engaged Messrs. Deloitte Touche Tohmatsu, the auditor of the Company to conduct certain agreed upon procedures in respect of the rental income of the Property, in accordance with the Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The procedures were performed solely to assist the Directors in evaluating the accuracy of the gross rental income from the Property, and are summarised as follows:

1. The auditor obtained a schedule of the Gross Rental Income for the three years ended 31 March 2013, 2014 and 2015 from the management of the Company (“Gross Rental Income Summary”) and checked its arithmetical accuracy. The Gross Rental Income Summary was prepared by the Directors of the Company.
2. The auditor obtained a schedule setting out the names of tenants, their addresses, the relevant monthly lease fee, monthly common area charge, rental period, carpark rental charge rate and yearly carpark rental income for the three years ended 31 March 2013, 2014 and 2015 from the management of the Company (“Detailed Lease Summary”) and checked its arithmetical accuracy. The Detailed Lease Summary was prepared by the Directors of the Company.
3. The auditor agreed the revenue amounts from each of the components making up the Gross Rental Income reflected in the Gross Rental Income Summary to the respective amounts in Detailed Lease Summary for the three years ended 31 March 2013, 2014 and 2015.
4. The auditor agreed the names of tenants, their addresses, the relevant monthly lease fee, monthly common area charge, rental period, carpark rental charge rate and yearly carpark rental income (the “Particulars”) in the Detailed Lease Summary to the relevant tenancy agreements provided by the Seller and revenue report issued by the tenant.

The auditor of the Company reports their findings below:

- a. With respect to procedure 1, the auditor found the Gross Rental Income Summary to be arithmetically accurate.
- b. With respect to procedure 2, the auditor found the Detailed Lease Summary to be arithmetically accurate.
- c. With respect to procedure 3, the auditor found the revenue amounts from each of the components making up the Gross Rental Income in the Gross Rental Income Summary to be in agreement with the respective amounts in the Detailed Lease Summary for the three years ended 31 March 2013, 2014 and 2015.
- d. With respect to procedure 4, the auditor found the Particulars in the Detailed Lease Summary to be in agreement with the relevant tenancy agreements and the revenue report issued by the tenant.

Because the above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, the auditor of the Company does not express any assurance on the Gross Rental Income, the Gross Rental Income Summary and the Detailed Lease Summary.

Had the auditor performed additional procedures or had the auditor performed an assurance engagement of the Gross Rental Income, the Gross Rental Income Summary and the Detailed Lease Summary in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA, other matters might have come to the auditor’s attention that would have been reported to Directors.

The Directors consider the omission of a profit and loss statement for the Property’s net income stream for the Relevant Financial Years would not render this circular materially incomplete or misleading or deceptive.

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22 April 2016

SiS International Holdings Limited

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地產代理(公司)牌照號碼

Estate Agent's Licence No: C-004065

Dear Sirs,

In accordance with instructions from SiS International Holdings Limited (the "Company") to value the certain property interests held by SiS International Holdings Limited and its subsidiaries (collectively referred to as "the Group") in Japan, we confirm that we have carried out inspections, made relevant enquiries, and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of property interest as of 25 February 2016 (the "Valuation Date").

VALUATION BASIS, ASSUMPTIONS AND METHODOLOGY

Our valuation is prepared in accordance with "The HKIS Valuation Standards (2012 Edition)" ("the Standards") published by The Hong Kong Institute of Surveyors ("the HKIS").

Our valuation is made on the basis of Market Value which is defined by the International Valuation Standards and followed by the HKIS to mean "the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

We have also complied with all the requirements contained in the Companies Ordinance, Chapter 5, Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Our valuation has been made on the assumption that the owner sells the property on the open market without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the values of the property interests.

No allowance has been made in our valuation for any charges, mortgages or amounts owing neither on the property nor for any expenses or taxation which may be incurred in effecting sale. Unless otherwise stated, it is assumed that the properties were free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In valuing the property, which is completed and held by the Group for investment in Japan, we have adopted the Income Capitalization Approach by capitalization of the net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the property. In addition, we have adopted the Discounted Cash Flow Approach and analysed the long term return that is likely to be derived from a property with a combination of both income and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, net property income, income growth, potential capital expenditure, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

SOURCE OF INFORMATION

We have relied on information provided by the Group, in particular, but not limited to the sales records, planning approvals, statutory notices, easements, development scheme, site area and floor area, tenancy schedules, and relevant information. No on-site measurement has been taken. Dimensions, measurements and areas included in the property summaries and valuation certificates are only approximations. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided to us.

CBRE independently verified the property ownership. There are no known covenants, conditions, or restrictions impacting the site that are considered to affect the marketability or the highest and best use of the property which are not considered in the valuation analysis. In the course of our valuation, we have relied on information provided by the Group.

PROPERTY INSPECTION

We made an inspection of the property for this valuation. In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey nor any tests were made on the building services. Therefore, we are not able to report whether the properties are free of rot, infestation, or any other structural defects.

We have not carried out site measurements to verify the correctness of the site area of the property. We have assumed that the site area shown on the documents and official site plan is correct. During our inspection, we have not carried our investigations on the site to determine the suitability of the ground conditions and the services for any future development. Our valuation is on the basis that these aspects are satisfactory.

The property inspection in Japan was carried out on 9 February, 2016 by Ms. Hiroko Minowa. Ms. Hiroko Minowa has more than 10 years of valuation experience and holds a professional valuer license in Japan.

CURRENCY

Unless otherwise stated, all monetary amounts are stated in Japanese Yen (“YEN”), the official currency of Japan.

DISCLAIMERS, LIMITATIONS AND QUALIFICATIONS

The liability of CBRE and its directors and employees is limited to the addressee of this report only. No accountability, obligation or liability to any third parties is accepted.

You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys’ fees, to which we may become subjects in connection with this engagement. Your obligation for indemnification and reimbursement shall extend to any controlling person of CBRE, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to three times of the amount of fees we received for this engagement.

This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report. Reliance on this report and extension of our liability is conditional upon the reader’s acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

We enclose herewith our summary of values and valuation certificates.

Yours faithfully,
For and on behalf of
CBRE Limited

Daniel Mohr
MRICS
Executive Director
Valuation & Advisory Services

Note: Mr. Daniel Mohr is a member of Royal Institution of Chartered Surveyors. He has over 15 years of valuation experience in the PRC, Hong Kong, Japan, and greater Asia.

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value as of 25 February 2016
<p>The property is known as SK Kashiwa Building (formerly Kashiwa Fames) and is a 15-storey, mixed-use, commercial building.</p>	<p>The property was built in 2000 as part of a redevelopment project by Kashiwa City. The property is a mixed-use commercial building, with hotel, offices, and carpark. The gross building area (GBA) was reported to be 20,408.90 square meters.</p>	<p>The property is currently fully occupied. The hotel space is leased and operated by Teikoku Hotels through September 2020. The market rent is estimated to be Yen 2,087 per square meter per month (or Yen 6,900 per tsubo per month).</p>	<p>YEN 6,760,000,000 (JAPANESE YEN – SIX BILLION SEVEN HUNDRED SIXTY MILLION) (70% interest attributable to the Group: YEN 4,732,000,000)</p>
<p>The address is 14-1, Suehirocho, Kashiwa City, Chiba in Japan. The property is located in the Kashiwa neighbourhood, which is northeast of the Tokyo Central Business District (CBD). The property is located at the south east corner of Suehirocho and Akebono Street and is approximately 250 meters north of Kashiwa Station, on the JR Joban Line, Tokyo Metro Chiyoda Line, and Noda Line.</p>	<p>The hotel space is branded as The Crest Hotel Kashiwa. The hotel spaces are located on the 1st – 4th and 12th – 15th floors and consists of 87 rooms (primarily double and twin rooms), seven banquet rooms, one chapel, and a Japanese-style wedding hall. The hotel rentable area is 10,370.33 square meters (or 3,137.03 tsubo).</p>	<p>The office space is 100% leased to nine tenants and each lease has a two-year renewal option, upon expiry. As of the date of value, the near term expiry, by office area, was 22% in 2016, 6% in 2017, and 72% in 2018.</p>	
<p>The neighbourhood is approximately 50 kilometres northeast of the Tokyo City Centre and approximately 40 kilometres west of Narita International Airport.</p>	<p>The office space are located on the 5th – 11th floors of the property and for multi-tenant occupancy. The office rentable area is 4,465.92 square meters (or 1,350.81 tsubo). The largest tenant, Meiji Yasuda Life Insurance Co., occupies approximately 40% of the rentable area.</p>	<p>Typical office leases are signed on a modified gross or net basis and range between 2 and 3 years. The market rent is estimated to be Yen 4,537 per square meter per month (or Yen 15,000 per tsubo per month).</p>	
<p>The hotel portion of the property is the only full-service hotel with banquet and wedding facilities in the neighborhood.</p>	<p>The property consists of 132 basement carpark spaces. The carpark area is operated by a tenant which is independent third party of the Company.</p>	<p>The current potential gross income (PGI) is YEN 42,000,000 per month approximately.</p>	

Notes:

- a) The property has no known encumbrances or liens.
- b) The property is jointly owned under a condominium ownership plan. On 1 March, 2016, the freehold interest in the property (including land and hotel, office, and carpark) was acquired by Tokutei Mokuteki Kaisha SSG23 (“TMK SSG23”).
- c) Once the acquisition is completed, the Group will have a 70% ownership interest in TMK SSG23.
- d) The freehold interest will be acquired by TMK SSG23 on 1 March, 2016. The agreed upon price is 5.963 billion YEN. The Group confirmed the details and reported that the transaction was independent. The buyer, TMK SSG23, estimated approximately 360 million YEN in capital expenses in the first five years, including HVAC, Electrical, and Architectural & Structural expenses.

To the best of our knowledge, the freehold interest has not transferred in the past five years.

- e) The concluded value of 6.76 billion YEN, assumes that near term capital expense items are cured, resulting in a value above the purchase price.
- f) The valuation we have adopted the Income Capitalisation Approach and Discounted Cash Flow (DCF) Approach. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, net property income, income growth, potential capital expenditure, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.
- g) The property development is governed by City Planning Area, Urbanization Area, and Commercial District codes. Applicable planning codes are noted as follows:
 - Fire Protection District and Landscape Planning area
 - “Kashiwa West Exit B-2” Efficient Utilization District; maximum Floor Area Ratio (“FAR”) is 650%, minimum FAR is 300%, maximum Site Coverage Ratio (“SCR”) is 50% and minimum construction area is 500 square meters.
 - “Kashiwa West Exit B-2” District Plan; Residential, apartment, condominium residential, dormitory and building relating to business affecting public morals are not possible to construct on the site.
- h) The property was inspected on 9 February, 2016.

Definitions:

Net Rentable Area (NRA) – is defined as: 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.

Gross Building Area (GBA) – is defined as: The total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. Gross building area for office buildings is computed by measuring to the outside finished surface of permanent outer building walls without any deductions. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement.

Potential Gross Income (PGI) – is defined as: The total income attributable to real property at full occupancy before vacancy and operating expenses are deducted. The annual PGI has been presented in the valuation certificate.

Occupancy Rate – The current occupancy rate as of 25 February 2016 has been presented.

Carpark Spaces – The total number of carpark spaces was confirmed by the valuer. The car parking spaces support the existing building and have not been allocated a separate value.

UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP
AFTER THE COMPLETION OF THE ACQUISITION

The unaudited pro forma statement of assets and liabilities of the Group has been prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2015 extracted from the Company's annual report for the year ended 31 December 2015 and adjusted for the effect of the Acquisition described in the accompanying notes, which are directly attributable and factually supportable and was prepared in accordance with paragraph 4.29 of the Listing Rules to illustrate how the Acquisition would affect the financial position of the Group as if the Acquisition had taken place on 31 December 2015. As the unaudited pro forma statement of assets and liabilities has been prepared for illustrative purposes only, and because of its hypothetical nature, it does not purport to present what the financial position of the Group would be on actual completion of the Acquisition.

	Before the Acquisition	Pro forma Adjustments	<i>(Notes)</i>	After the Acquisition
	<i>HK\$'000</i>	<i>HK\$'000</i>		<i>HK\$'000</i>
Non-current assets				
Investment properties	2,795,026	434,442	<i>(1)</i>	3,229,468
Properties, plant & equipment	144,510			144,510
Interests in associates	247,279			247,279
Available for sale investments	93,821			93,821
	<u>3,280,636</u>			<u>3,715,078</u>
Current assets				
Inventories	86,572			86,572
Trade and other receivables, deposits and prepayments	104,660			104,660
Amount due from a joint venture	2,339			2,339
Amount due from an associate	3,185			3,185
Tax recoverable	393			393
Investments held-for-trading	11,913			11,913
Pledged deposits	455,029			455,029
Bank balances and cash	389,916	(434,442)	<i>(1)</i>	(16,354)
		28,172	<i>(2)</i>	
	<u>1,054,007</u>			<u>647,737</u>

	Before the Acquisition <i>HK\$'000</i>	Pro forma Adjustments <i>HK\$'000</i>	<i>(Notes)</i>	After the Acquisition <i>HK\$'000</i>
Current liabilities				
Trade payables, other payables and accruals	106,989			106,989
Derivative financial instruments	5,528			5,528
Obligations under finance lease	3,655			3,655
Tax payable	16,560			16,560
Bank loans	<u>945,272</u>			<u>945,272</u>
	<u>1,078,004</u>			<u>1,078,004</u>
Net current liabilities	<u>(23,997)</u>			<u>(430,267)</u>
Total assets less current liabilities	<u>3,256,639</u>			<u>3,284,811</u>
Non-current liabilities				
Bank loans	343,017			343,017
Bonds	131,543			131,543
Obligations under finance leases	34,669			34,669
Deferred tax liabilities	58,370			58,370
Rental deposits	<u>89,877</u>	28,172	(2)	<u>118,049</u>
	<u>657,476</u>			<u>685,648</u>
Net assets	<u><u>2,599,163</u></u>			<u><u>2,599,163</u></u>

Notes:

1. The adjustment is to reflect the Acquisition at a purchase price of JPY5,963,000,000 (equivalent to HK\$411,447,000) and other directly attributable cost of acquisition of JPY333,254,000 (equivalent to HK\$22,995,000), comprising consumption tax of JPY258,479,000 (equivalent to HK\$17,835,000), and other expenses of JPY74,775,000 (equivalent to HK\$5,160,000) including legal fee relating to the Acquisition. The Property is classified as investment property as the Directors intend to hold the Property for rental income and/or capital appreciation purposes. In respect of the valuation of the Property carried out by an independent valuer, as set out in the Appendix III to this Circular, the Property is value at JPY6,760,000,000 (equivalent to HK\$466,440,000) as at 25 February 2016. However, for the purpose of the pro forma statement, it is assumed that the fair value of the Property as at 31 December 2015 approximate the cost of acquisition. In the opinion of the Directors, the assumed cash shortfall for the purpose of the pro forma financial information will be financed by bank borrowings of JPY4,250,000,000 (equivalent to HK\$293,250,000) and issuance of JPY675,000,000 (equivalent to HK\$46,575,000) preferred shares to the ultimate holding company of the seller, a third party independent of the Company and its connected persons.
2. The adjustment is to reflect the rental deposits from tenants related to leasing of the Property which are transferred from the seller to the trust's bank account as if the Acquisition took place on 31 December 2015.

The adjustments made consist of the following:

	<i>HK\$'000</i>
Assets:	
Bank balances and cash	28,172
	<u><u>28,172</u></u>
Liabilities:	
Rental deposit	28,172
	<u><u>28,172</u></u>

3. The exchange rate adopted for the purpose of the compilation of pro forma financial information is HK\$69 to JPY1,000.

**ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION
INCLUDED IN A CIRCULAR****TO THE DIRECTORS OF SIS INTERNATIONAL HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of SiS International Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma statement of assets and liabilities as at 31 December 2015 and related notes as set out on pages 18 to 20 of the circular issued by the Company dated 22 April 2016 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages 18 to 20 of the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the major acquisition of the beneficial interest in a trust (the "Acquisition") whose principal asset is the property located in Japan on the Group's financial position as at 31 December 2015 as if the Acquisition had taken place at 31 December 2015. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2015, on which an audit report has been published.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong 22 April 2016

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Director or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 to the Listing Rules adopted by the Company (“Model Code”) to be notified to the Company and the Stock Exchange, were as follows:

(i) Long positions in ordinary shares of HK\$0.10 each of the Company

Name of Director	Personal Interests	Family Interests	Joint Interests (Note 1)	Corporate interests (Note 2)	Total	Percentage
					number of issued ordinary shares held	of the issued share capital of the Company
Lim Kia Hong (Note 4)	5,771,108	504,000	–	178,640,000	184,915,108	66.64%
Lim Kiah Meng (Note 4)	5,403,200	450,000	534,000	178,640,000	185,027,200	66.68%
Lim Hwee Hai (Note 3)	3,331,200	4,751,158	–	–	8,082,358	2.91%
Lim Hwee Noi (Note 3, 4)	4,751,158	3,331,200	–	–	8,082,358	2.91%
Lee Hiok Chuan	200,000	–	–	–	200,000	0.07%
Ong Wui Leng	200,000	–	–	–	200,000	0.07%

Notes:

- (1) 534,000 shares are jointly held by Mr. Lim Kiah Meng and his spouse.
- (2) Gold Sceptre Limited holds 140,360,000 shares and Kelderman Limited, Valley Tiger Limited and Swan River Limited each holds 12,760,000 shares in the issued share capital of the Company. Mr. Lim Kiah Meng and his spouse and Mr. Lim Kia Hong and his spouse together own 40.5% and 39.5%, respectively of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.
- (3) 3,331,200 shares and 4,751,158 shares are beneficially owned by Mr. Lim Hwee Hai and Madam Lim Hwee Noi respectively. Mr. Lim and Madam Lim are spouse, so they have deemed interest in their spouse's shares under the SFO.
- (4) In addition to the interests disclosed above, Mr. Lim Kiah Meng and Madam Lim Hwee Noi are trustees of an estate and are holding 304,000 shares on behalf of three beneficiaries aged below 18. Out of these 304,000 shares, 200,000 shares and 104,000 shares are beneficially owned by the children of Mr. Lim Kiah Meng and Mr. Lim Kia Hong respectively, and are included in the family interest of Mr. Lim Kiah Meng and Mr. Lim Kia Hong as disclosed above.

(ii) Share Options

Directors of the Company and their associates had interest in share options under the Company's share option scheme, detail of which are set out as follows.

Date of grant	Vesting period	Exercise period	Exercise price HK\$	Number of share options outstanding at the Latest Practicable Date
Lim Kia Hong				
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	50,000
Lim Kiah Meng				
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	50,000

Date of grant	Vesting period	Exercise period	Exercise price HK\$	Number of share options outstanding at the Latest Practicable Date
Lim Hwee Hai				
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	50,000
Lim Hwee Noi				
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	50,000
Lee Hiok Chuan				
20.8.2007	21.08.2007-18.02.2010	18.02.2010-20.05.2017	1.72	50,000
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	40,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	40,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	40,000
Ong Wui Leng				
20.8.2007	21.08.2007-18.02.2010	18.02.2010-20.05.2017	1.72	50,000
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	40,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	40,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	40,000
Ma Shiu Sun, Michael				
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	50,000
				1,090,000

(iii) Long positions in the shares and underlying shares of a subsidiary of the Company

Ordinary share of HK\$0.10 each of SiS Mobile Holdings Limited (“SiS Mobile”), which is listed on the Main Board of the HKSE (Stock Code: 1362)

Name of Director	Personal Interests	Family Interests	Joint Interests (Note 1)	Corporate interests (Note 2&3)	Total	Percentage
					number of issued shares held	of the issued share capital of the SiS Mobile
Lim Kia Hong (Note 5)	1,846,754	161,280	–	203,607,467	205,615,501	73.43%
Lim Kiah Meng (Note 5)	1,729,024	144,000	170,880	203,607,467	205,651,371	73.45%
Lim Hwee Hai (Note 4)	1,065,984	1,145,330	–	–	2,211,314	0.79%
Lim Hwee Noi (Note 4&5)	1,145,330	1,065,984	–	–	2,211,314	0.79%
Lee Hiok Chuan	64,000	–	–	–	64,000	0.02%
Ong Wui Leng	64,000	–	–	–	64,000	0.02%

Notes:

- (1) Shares are jointly held by Mr. Lim Kiah Meng and his spouse.
- (2) 146,442,667 shares are registered in the name of SiS International Holdings Ltd. It is owned as to approximately 50.6% by Gold Sceptre Limited.
- (3) Gold Sceptre Limited holds 44,915,200 shares and Kelderman Limited, Valley Tiger Limited and Swan River Limited each holds 4,083,200 shares in the issued share capital of SiS Mobile. Mr. Lim Kiah Meng and his spouse and Mr. Lim Kia Hong and his spouse together own 40.5% and 39.5%, respectively of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.
- (4) 1,065,984 shares and 1,145,330 shares are beneficially owned by Mr. Lim Hwee Hai and Madam Lim Hwee Noi respectively. Mr. Lim and Madam Lim are spouse, so they have deemed interest in their spouse’s shares under the SFO.
- (5) In addition to the interests disclosed above, Mr. Lim Kiah Meng and Madam Lim Hwee Noi are trustees of an estate and are holding 97,280 shares. 64,000 shares and 33,280 shares are beneficially owned by the children of Mr. Lim Kiah Meng and Mr. Lim Kia Hong respectively, and are included in the family interests of Mr. Lim Kiah Meng and Mr. Lim Kia Hong as disclosed above.

(iv) Share options of SiS Mobile, a subsidiary of the Company

Date of grant	Vesting period	Exercise period	Exercise price HK\$	Number of share options outstanding of SiS Mobile at the Latest Practicable Date
Directors and their associates:				
Lim Kia Hong				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	400,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	400,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	400,000
Lim Kiah Meng				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	400,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	400,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	400,000
Lim Hwee Hai				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	400,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	400,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	400,000
Lim Hwee Noi				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	200,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	200,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	200,000
				4,200,000

(v) Long positions in the shares and underlying shares of associated corporations of the Company

- (a) Ordinary share of Baht 1 each of SiS Distribution (Thailand) Public Company Limited (“SiS THAI”), which is listed in the Stock Exchange of Thailand.

Name of Director	Personal Interests	Corporate Interests	Total number of issued ordinary shares held in SiS THAI		Approximate % of issued share capital of SiS THAI
			<i>(Note)</i>		
Lim Kia Hong	241,875	165,616,595	165,858,470		47.36%
Lim Hwee Hai	244,687	–	244,687		0.07%

Note: The Company indirectly holds 165,616,595 ordinary shares of the issued capital of SiS THAI. As disclosed in (i) above, Mr. Lim Kia Hong and his family has total interest of 66.64% in the Company, therefore Mr. Lim has deemed corporate interest in SiS THAI under the SFO.

- (b) Ordinary share of Taka 10 each of Information Technology Consultants Limited (“ITCL”) which is incorporated in Bangladesh, and is listed in The Dhaka Stock Exchange and The Chittagong Stock Exchange on 10 January 2016 (DSE Stock Code: ITC, CSE Stock Code: ITC).

Name of Director	Approximate % of issued share capital of ITCL	
	Corporate interests	<i>(Note)</i>
Lim Kiah Meng	40,059,390	46.05%

Note: A related corporation which is jointly owned by Mr. Lim Kiah Meng and his spouse holds 7,350,000 ordinary shares in ITCL, while the Company indirectly holds 32,709,390 ordinary shares. As disclosed in (i) above, Mr. Lim Kiah Meng and his family have total interest of 66.68% in the Company, therefore Mr. Lim has deemed corporate interest of 32,709,390 in ITCL under the SFO.

Save as disclosed above, none of the Directors nor their associates, as at the Latest Practicable Date, had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

Long positions in ordinary shares of HK\$0.10 each of the Company

Name of Shareholder	Personal Interests	Family Interests (Note 1)	Corporate Interests (Note 2)	Other interests	Total	Percentage
					number of ordinary shares held	of the issued share capital of the Company
Yeo Seng Chong	700,000	1,220,000	13,050,000	–	14,970,000	5.40%
Lim Mee Hwa	1,220,000	700,000	13,050,000	–	14,970,000	5.40%
Yeoman Capital Management Pte. Ltd.	–	–	300,000	12,750,000	13,050,000	4.70%

Notes:

- (1) Mr. Yeo Seng Chong and Madam Lim Mee Hwa are spouse so they have deemed interest in their spouse's shares under the SFO.
- (2) Mr. Yeo Seng Chong and Madam Lim Mee Hwa each have 50% direct interest in Yeoman Capital Management Pte. Ltd.
- (3) Yeoman Capital Management Pte. Ltd. holds the shares of the Company as an investment manager.

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, there were no persons (other than a Director or chief executive of the Company as disclosed above) had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or who, as at the Latest Practicable Date, was directly and indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Directors had any existing or proposed service contracts with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, save as interest disclosed in item 6 below, none of the Directors and their respective associates was interested in any business which competes or was likely to compete, whether directly or indirectly, with the business of the Group.

6. DIRECTORS' INTEREST IN ASSETS AND/OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any members of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2015, being the date to which the latest published audited consolidated financial statements of the Company were made up.

As at the Latest Practicable Date, there is no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group as a whole.

7. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, were entered into by the members of the Group within two years preceding the Latest Practicable Date and are or may be material:

- (i) the sale and purchase agreement regarding acquisition of the trust beneficial interest of a property named Dormy Inn Premium Otaru in Japan at a consideration of JPY2,700,000,000 which is equivalent to about HK\$205,200,000, dated 14 July 2014 and other agreements in relation thereto;
- (ii) the sale and purchase agreement regarding acquisition of the trust beneficial interest of a property named First Cabin Tsukiji in Tokyo, Japan at a consideration of JPY1,970,000,000 which is equivalent to about HK\$128,050,000, dated 11 March 2015 and other agreements in relation thereto;
- (iii) the sale and purchase agreement regarding acquisition of a property located at 33rd floor of United Centre at No. 95 Queensway, Admiralty, Hong Kong at a consideration of HK\$311,600,000 dated 22 May 2015 and other agreements in relation thereto; and

- (iv) the Sale & Purchase Agreement and other agreements in relation to the Acquisition of the property.

8. EXPERT AND CONSENT

The following is the qualification of the experts who have been named in this circular or have given opinions or advice which are contained in this circular:

Name	Qualification
CBRE Limited	Independent Qualified Valuers
Deloitte Touche Tohmatsu	Certified Public Accountants

Each of CBRE Limited and Deloitte Touche Tohmatsu has confirmed that as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any direct or indirect interests in any assets which have since 31 December 2015 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Each of CBRE Limited and Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its opinion prepared for the purpose of incorporation in this circular, and the references to its name and opinion in the form and context in which they respectively appear.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited consolidated accounts of the Group have been made up.

10. LITIGATION

As of the Latest Practicable Date, no litigation or claims of material importance was known to the Directors to be pending or threatened against any member of the Group.

11. GENERAL

- (i) The Company Secretary of the Company is Ms. Chiu Lai Chun, Rhoda, associated member of Hong Kong Institute of Certified Public Accountants;
- (ii) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda;
- (iii) The Company's Branch Share Registrar in Hong Kong is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong; and
- (iv) In the event of inconsistency, the English text shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 803 Nine Queen's Road Central, Hong Kong up to and including 6 May 2016:

- (i) this circular;
- (ii) the memorandum of association and Bye-Laws of the Company;
- (iii) the annual reports of the Company for the three years ended 31 December 2013, 31 December 2014 and 31 December 2015;
- (iv) the letter and valuation certificate prepared by CBRE Limited, the text of which is set out in Appendix III to this circular;
- (v) the Assurance Report on the pro forma financial information of the Group issued by Deloitte Touche Tohmatsu, the text of which is set out in Appendix IV to this circular;
- (vi) the letters of consents referred to under the section headed "Experts and Consents" in this appendix; and
- (vii) the material contracts referred to under the section headed "Material Contracts" in this appendix.