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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**

On 25 February 2016, the Purchaser, TMK SSG23, an indirect wholly-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 at a consideration of approximately JPY5,963,000,000 (equivalent to approximately HK\$411,447,000).

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to Shareholders' approval pursuant to Rule 14.40. The Company has obtained a written approval of the Acquisition from Gold Sceptre Limited, the controlling shareholder of the Company, which is the registered holder of and beneficially interested in approximately 50.6% of the issued share capital of the Company. 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.

A circular containing, inter alia, further information in respect of the Acquisition will be despatched to the Shareholders. In order to allow sufficient time for preparing the circular, the Company will apply for an extension of the time required under the Listing Rule 14.41(a) to despatch the circular to its Shareholders on or before 22 April 2016.

### **THE SALE & PURCHASE AGREEMENT**

On 25 February 2016, the Purchaser, TMK SSG23, an indirect wholly-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 lots at a consideration of approximately JPY5,963,000,000 (equivalent to approximately HK\$411,447,000).

*\* For identification purpose only.*

## **Parties**

- (1) TMK SSG23, an indirect wholly-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**

Subject to the terms and conditions of the Sale & Purchase Agreement, the Seller shall sell and the Purchaser shall acquire the Trust Beneficial Interest of the property (including the land and building). The hotel portion of the property is leased to a hotel operator and the offices and car park lots are leased to various tenants. The unexpired lease periods for the hotel and offices range from two to five years.

Total gross revenue generated from the leasing of the property for the two preceding financial years ended 31 March 2014 and 2015 amounted to approximately JPY432,000,000 (equivalent to approximately HK\$29,808,000) and JPY431,000,000 (equivalent to approximately HK\$29,739,000) respectively.

The property was valued at JPY6,760,000,000 (equivalent to approximately HK\$466,440,000) as at 25 February 2016 by an independent professional valuer.

## **Consideration and Payment Terms**

The consideration for the Acquisition is approximately JPY5,963,000,000 (equivalent to approximately HK\$411,447,000), which will be payable and satisfied in full by the Company using internal resources (including the issuance of preferred shares by the Purchaser as set out in the section headed "Co-Investment" below) and bank financing upon Completion.

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.

## **Completion**

Subject to satisfaction of the conditions (including but not limited to the Seller having obtained the legal ownership of the property and the entrustment of the property to the trustee before the completion) contained in the Sale & Purchase Agreement, completion of the Acquisition shall take place on 1 March 2016 or a date to be mutually agreed between the Purchaser and the Seller.

## **CO-INVESTMENT**

To partially finance the Acquisition, the Purchaser will issue preferred shares 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.

After issuance of the preferred shares, the Purchaser will be held as to 70% indirectly by the Company and the remaining 30% by the ultimate holding company of the Seller.

## 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.

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.

## GENERAL

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the Shareholders' approval pursuant to Rule 14.40. The controlling shareholder of the Company, Gold Sceptre Limited, which is the registered holder of and beneficially interested in 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.

A circular containing, inter alia, further the information in respect of the Acquisition will be despatched to the Shareholders. In order to allow sufficient time for preparing the circular, the Company will apply for an extension of the time required under the Listing Rule 14.41(a) to despatch the circular to its shareholders on or before 22 April 2016.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

|                            |  |
|----------------------------|--|
| <b>"%"</b>                 | per cent   |
| <b>"Acquisition"</b>       | the acquisition of the Trust Beneficial Interest of a property by the Purchaser from the Seller pursuant to the Sale & Purchase Agreement                              |
| <b>"Board"</b>             | the board of Directors   |
| <b>"Company"</b>           | 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) |
| <b>"Completion"</b>        | completion of the Acquisition pursuant to the Sale & Purchase Agreement  |
| <b>"connected persons"</b> | shall have the meaning as ascribed to it under the Listing Rules   |
| <b>"Directors"</b>         | the directors of the Company   |
| <b>"Group"</b>             | the Company and its subsidiaries   |
| <b>"HK\$"</b>              | Hong Kong dollars, the lawful currency of Hong Kong  |

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|--|---|
| <b>“Hong Kong”</b>                     | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| <b>“JPY”</b>                           | Japanese Yen, the lawful currency of Japan  |
| <b>“Listing Rules”</b>                 | the Rules governing the Listing of Securities on the Stock Exchange   |
| <b>“Purchaser”/<br/>“TMK SSG23”</b>    | Tokutei Mokuteki Kaisha SSG23, an indirect wholly owned subsidiary of the Company.  |
| <b>“Sale &amp; Purchase Agreement”</b> | 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 |
| <b>“Seller”</b>                        | Kenedix Development Kabushiki Kaisha, a Japan-based company   |
| <b>“Shareholders”</b>                  | Shareholders of the Company, holders of the ordinary shares of HK\$0.10 each of the Company   |
| <b>“Stock Exchange”</b>                | The Stock Exchange of Hong Kong Limited   |
| <b>“Trust Beneficial Interest”</b>     | the trust beneficial interest of a property (including land and building) in Japan which consists of a hotel, offices and car park lots                     |

The exchange rate adopted for the purpose of this announcement is HK\$69 to JPY 1,000.

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

Hong Kong, 25 February 2016

*As at the date of this announcement, the executive directors are Mr. Lim Kia Hong, Mr. Lim Kiah Meng, Mr. Lim Hwee Hai and Madam Lim Hwee Noi. The independent non-executive directors are Mr. Lee Hiok Chuan, Ms. Ong Wui Leng and Mr. Ma Shiu Sun Michael.*