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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 INTERESTS OF FIVE HOTEL PROPERTIES IN JAPAN AND RESUMPTION OF TRADING**

On 3 September 2013, the Purchaser, SiS Japan Inn, 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 interests of five hotel properties at a consideration of JPY6,433,900,000 (consumption tax inclusive) which is equivalent to about HK\$514,712,000. The five hotel properties are located at five different locations in Japan.

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 has a beneficial interest of approximately 50.7% 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, the information required under the Listing Rules in respect of the Acquisition will be despatched to the Shareholders on or before 25 September 2013.

At the request of the Company, trading in the Shares was suspended with effect from 1:00 p.m. on 3 September 2013 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 4 September 2013.

*\* For identification purpose only.*

## **THE SALE AND PURCHASE AGREEMENT**

On 3 September 2013, the Purchaser, SiS Japan Inn, 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 interests of five hotel properties at a total consideration of JPY6,433,900,000 (consumption tax inclusive) which is equivalent to about HK\$514,712,000. The five hotel properties are (1) Toyoko Inn Naha Asahi-bashi Ekimae; (2) Toyoko Inn Kanazawa Kenrokuen Korinbo; (3) Toyoko Inn Shonan Hiratsuka-eki Kitaguchi No.1; (4) Toyoko Inn Niigata Furumachi; and (5) Toyoko Inn Tokushima Ekimae locating in five different locations in Japan.

### **Parties**

- (1) SiS Japan Inn Tokutei Mokuteki Kaisha (“SiS Japan Inn”), an indirect wholly-owned subsidiary of the Company, as the Purchaser ; and
- (2) Hulic Co., Ltd., 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 holding, leasing, sales and brokerage. There is no prior transaction and relationship between the Company and the Seller and its associates in the last 12 months which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

### **Information of the Five Hotel Properties**

Subject to the terms and conditions of the Sale & Purchase Agreement, the Seller shall sell and SiS Japan Inn shall acquire the trust beneficial interests of the five hotel properties, including the lands and buildings. Other than the leasing of a few facilities, the five hotel properties are basically leased separately to a single tenant operating under the Toyoko Inn Brand by five lease agreements. The unexpired lease periods are approximately twenty years on average.

Total revenue generated from the leasing of the five hotel properties for the two financial years ended 31 December 2011 and 2012 amounted to JPY577,828,000 (equivalent to about HK\$46,226,000) and JPY582,690,000 (equivalent to about HK\$46,615,000) respectively.

A valuation report of the five hotel properties performed by an independent professional valuer appointed by the Company will be contained in the circular to be dispatched to the Shareholders.

### **Consideration and Payment Terms**

The consideration for the Acquisition is JPY6,433,900,000 (consumption tax inclusive) which is equivalent to about HK\$514,712,000, will be payable and satisfied in full by internal resources and bank financing upon Completion.

The consideration for the five hotel properties has been determined after arm’s length negotiations between the parties by reference to the prevailing market conditions, as well as the location of the five hotel properties and market price of properties in the same area.

## **Completion**

Subject to satisfaction of the conditions to the Sale & Purchase Agreement, completion of the Acquisition shall be taken place on 31 October 2013 or a date to be mutually agreed between the Purchaser and the Seller.

## **REASONS FOR THE ACQUISITION**

The Group is an investment holding company. Its principal business interests include real estate investment, mobile & 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 Directors consider that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Shareholders and the Company as a whole.

## **GENERAL**

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the Shareholders' approval pursuant to Rule 14.40. The controlling shareholder of the Company, Gold Sceptre Limited, which has beneficial interest of approximately 50.7% 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, the information required under the Listing Rules in respect of the Acquisition will be despatched to the Shareholders on or before 25 September 2013.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended with effect from 1:00 p.m. on 3 September 2013 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 4 September 2013.

## **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 interests of five hotel properties 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
<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 of Hong Kong Limited
<b>“Purchaser” / “SiS Japan Inn”</b>	SiS Japan Inn Tokutei Mokuteki Kaisha, an indirect wholly-owned subsidiary of the Company
<b>“Sale &amp; Purchase Agreement”</b>	the agreement for sale and purchase of the trust beneficial interests of the five hotel properties dated 3 September 2013 entered into between the Seller and the Purchaser
<b>“Seller”</b>	Hulic Co., Ltd., a Japan-based company
<b>“Shareholder(s)”</b>	Shareholder(s) of the Company, holder(s) of the ordinary share(s) of HK\$0.01 each of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Trust Beneficial Interests”</b>	the trust beneficial interests of five hotel properties in Japan: <ul style="list-style-type: none"> <li>(1) Toyoko Inn Naha Asahi-bashi Ekimae locating at 1-20, 2 chome, Kume, Naha City, Okinawa</li> <li>(2) Toyoko Inn Kanazawa Kenrokuen Korinbo locating at 2-4-28, Korinbo, Kanazawa City, Ishikawa</li> <li>(3) Toyoko Inn Shonan Hiratsuka-eki Kitaguchi No.1 locating at 1-1 Akashicho, Hiratsuka City, Kanagawa</li> </ul>

- (4) Toyoko Inn Niigata Furumachi locating at 1168-2, 7 Bancho, Kamiokawamaedori, Chuo-Ku, Niigata City, Niigata
- (5) Toyoko Inn Tokushima Ekimae locating at 1-5, Ryogokuhoncho, Tokushima City, Tokushima

The exchange rate adopted for the purpose of this announcement is HK\$80 to JPY 1,000.

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

Hong Kong, 3 September 2013

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