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## **THIS CIRCULAR 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 you should take, you should consult a 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 to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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 PROPERTY**

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22 February 2013

\* *For identification purposes only.*

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## DEFINITIONS

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*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 in the Property by the Purchaser from the Vendor pursuant to the Sales & 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 Sales & 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”	18 February 2013, 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
“Property”	Rinku Gate Tower Building of 56 storeys tall with two basement floors, located at 1 Rinku Oraikita, Izumisano, Osaka, Japan
“Sales & Purchase Agreement”	the agreement for sale and purchase of the Property dated 14 December 2012 entered into between the Vendor and the Purchaser

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## DEFINITIONS

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“Purchaser” / “SiS TMK”	Tokutei Mokuteki Kaisha SSG8, an indirect wholly-owned subsidiary of the 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\$0.01 each of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Valuer”	CBRE HK Limited, an independent qualified valuer
“Vendor”	Yugen Kaisha Sannou Holdings (有限会社山王ホールディングス), a yugen kaisha incorporated in Japan

*The exchange rate adopted for the purpose of this circular is HK\$93 to JPY1000.*

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## LETTER FROM THE BOARD

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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)

**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:**

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

**Principal Place of Business in**

**Hong Kong:**

604 Eastern Harbour Centre

28 Hoi Chak Street

Quarry Bay

Hong Kong

22 February 2013

*To the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION ACQUISITION OF PROPERTY

#### I. INTRODUCTION

On 14 December 2012, the Purchaser "SiS TMK", an indirect wholly-owned subsidiary of the Company, has entered into the Sales & Purchase Agreement with the Vendor for the acquisition of the trust beneficial interest of the Property "Rinku Gate Tower Building" at a consideration of JPY2,960,000,000 which is equivalent to about HK\$275,280,000. The skyscraper, located at 1 Rinku Oraikita, Izumisano, Osaka, Japan, is currently ranked the second tallest building in Japan.

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:

\* For identification purposes only.

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## LETTER FROM THE BOARD

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### II. THE SALES & PURCHASE AGREEMENT

#### Date

14 December 2012

#### Parties

- (1) Yugen Kaisha Sannou Holdings (有限会社山王ホールディングス), as the Vendor; and
- (2) Tokutei Mokuteki Kaisha SSG8 (“SiS TMK”), an indirect wholly-owned subsidiary of the Company, as the Purchaser.

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

The principal business activity of the Vendor is property holding. There is no prior transaction and relationship between the Company and the Vendor and its associates in the last 12 months which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

#### Information of the Property

Rinku Gate Tower Building is held by a trustee which is a licensed trust bank in Japan whereas the beneficial ownership was vested with the Vendor before the Acquisition. Subject to the terms and conditions of the Sales & Purchase Agreement, the Vendor shall sell and SiS TMK shall acquire the trust beneficial interest of the skyscraper Rinku Gate Tower Building. The skyscraper is located just a station away from Osaka Kansai International Airport and next to Premium outlet shopping mall at 1 Rinku Oraikita, Izumisano, Osaka, Japan. Standing at 256m tall, the 56 storeys skyscraper with two basement floors is currently ranked the second tallest building in Japan. The iconic building in Osaka consists of offices, hotel and an international convention center.

After Completion, the beneficial ownership is vested with SiS TMK (who is the beneficiary) and the trustee remains unchanged. The trustee is entitled to a fixed annual fee and it shall manage the Property in accordance with the trust agreement and beneficiary’s instructions. It shall manage the Property separately from its own assets and assets of other trusts. The trustee would receive lease revenue and pay majority expenses of the Property on behalf of the beneficiary.

Revenue generated from the leasing of the Property for the three financial years ended 30 November 2010, 2011 and 2012 amounted to JPY1,298,991,000 (equivalent to about HK\$120,806,000), JPY1,066,281,000 (equivalent to about HK\$99,164,000) and JPY981,848,000 (equivalent to about HK\$91,312,000) respectively.

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## LETTER FROM THE BOARD

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The Property was valued as JPY2,710,000,000 (approximately HK\$252,030,000) as at 12 November 2012 by the Valuer, in which the valuation report is set out in Appendix III to this circular.

### **Consideration and payment terms:**

The consideration for the Acquisition is JPY2,960,000,000 which is equivalent to about HK\$275,280,000, was paid and satisfied in full by funds from bank borrowings upon Completion, which took place on 21 December 2012.

The consideration for the Property 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 Property and market price of properties in the same area.

### **Completion**

The Acquisition has completed on 21 December 2012.

## **III. REASONS FOR THE ACQUISITION**

SiS Group is principally engaged in distribution of mobile & IT products, investment in promising businesses and real estate investments. The Acquisition is in line with the Group's strategy in investment in income generating real estate with potential in value appreciation of property 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.

## **IV. FINANCIAL EFFECT OF THE ACQUISITION**

The Property is held as an investment property in the Group after Completion. Based on the unaudited financial position at 30 June 2012, and following the Acquisition, the investment properties of the Group is expected to increase by HK\$298,408,000; the total assets of the Group is expected to increase by HK\$47,770,000; 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\$86,266,000 to the Group.

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## LETTER FROM THE BOARD

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### V. 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 is beneficially interested in approximately 50.7% of the issued share capital of the Company, has given written approval of the Acquisition. By reason of the written approval from 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.

### VI. 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 2009 is disclosed on pages 25 to 81 of the 2009 annual report of the Company dated 30 April 2010; (ii) for the year ended 31 December 2010 is disclosed on pages 28 to 95 of the 2010 annual report of the Company dated 20 April 2011; and (iii) for the year ended 31 December 2011 is disclosed on pages 27 to 97 of the 2011 annual report of the Company dated 27 April 2012. The published unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2012 is disclosed on pages 4 to 18 of the 2012 interim report of the Company dated 22 August 2012. 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 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 31 December 2012, 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\$311,972,000, which was secured by bank deposits of approximately HK\$342,126,000.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not, at the close of business on 31 December 2012, 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 there has been no material change in the indebtedness and contingent liabilities of the Group since 31 December 2012.

**4. FINANCIAL AND TRADING PROSPECTS**

SiS Group is principally engaged in distribution of mobile & IT products, investment in promising businesses and real estate investments. The Acquisition is in line with the Group's strategy in investment in income generating real estate with potential in value appreciation of property in the long term. As at 30 June 2012, the Group's net current assets were HK\$740 million with cash balance of HK\$922 million and the debt (i.e. the bank loans and bills payable) to shareholders' fund ratio was 10%. After the Completion of the Acquisition, which was funded by bank borrowings, the Directors expect that the Group's financial position shall remain solid for at least the current financial year ending 31 December 2013.

Global economic outlook remains uncertain in the face of financial turmoil in Europe and the perceived slowing down of the China economy. Whilst the mobile phone and mobility products offer opportunities for growth, many mobile vendors are facing challenging times during product and technology transitions with market volatility, keen competition and profit erosion. As technology and innovations continue to evolve, change and transform consumers and businesses, the Directors are cautiously moving ahead.

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 30 November 2010, 2011 and 2012 (the “Relevant Financial Years”) are required to be included in this circular. Except for the revenue from the leasing of the Property, the Group is unable to gain full access to the underlying books and records or other financial information of the Vendor regarding the direct costs and other expenses for the preparation of the financial information of the Property for the Relevant Financial Years 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 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 Years.

Revenue generated from the leasing of the Property for the three financial years ended 30 November 2010, 2011 and 2012 amounted to JPY1,298,991,000 (equivalent to about HK\$120,806,000), JPY1,066,281,000 (equivalent to about HK\$99,164,000) and JPY981,848,000 (equivalent to about HK\$91,312,000) respectively.

Based on limited information provided by the Vendor such as the applicable property tax, land lease, management fee and utilities expenses, estimated expenses in respect of the three financial years ended 30 November 2010, 2011 and 2012 amounted to approximately JPY955,697,000 (equivalent to about HK\$88,880,000), JPY805,340,000 (equivalent to about HK\$74,897,000) and JPY749,530,000 (equivalent to HK\$69,706,000) 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.

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 lease 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 lease income from the Property, and are summarised as follows:

1. The auditor obtained from the management of the Company a summary of lease income from the Property (“Lease Income Summary”) and checked its arithmetical accuracy.
2. From the Lease Income Summary, the auditor selected a sample of items and agreed the particulars; namely, name of the tenants, lease periods, monthly lease fee and common area charge (the “Particulars”) to the relevant tenancy agreements provided by the Vendor.
3. The auditor checked the arithmetical accuracy of the total lease income of each of the items selected in 2 above for each of the three years ended 30 November 2010, 2011 and 2012 by multiplying the monthly lease income by twelve months or the number of months for which lease income is payable for that particular year, where it is a shorter period, as shown in the Lease Income Summary.

The auditor of the Company reports their findings below:

- a. With respect to procedure 1, the auditor found the Lease Income Summary to be arithmetically accurate.
- b. With respect to procedure 2, the auditor found the Particulars for each item selected to be in agreement with the relevant tenancy agreements.
- c. With respect to procedure 3, the auditor found the total lease income for each item selected in procedure 2 for the three years ended 30 November 2010, 2011 and 2012 included in the Lease Income Summary to be arithmetically accurate.

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 such assurance on the lease income.

Had the auditor performed additional procedures or had the auditor performed an assurance engagement of the Lease Income 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 the Directors.

22 February 2013

*The Directors*

**SiS International Holdings Limited**

Canon's Court, 22 Victoria Street,

Hamilton HM 12

Bermuda

**CBRE**

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8 Connaught Place

Central, Hong Kong

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地產代理 (公司) 牌照號碼

Estate Agent's Licence (Co.) No. C-004065

Dear Sirs,

**RE: RINKU GATE TOWER BUILDING  
1 RINKU-ORAIKITA, IZUMISAHO, OSAKA, JAPAN**

We refer to the instruction from SiS International Holdings Limited (hereinafter refer to the "Company") for us to carry out a valuation of the captioned property interests for public circular purpose in relation to a major transaction. We confirm that we have made relevant investigations and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 12 November 2012 (the "date of valuation").

**VALUATION BASIS, ASSUMPTIONS AND METHODOLOGY**

Unless otherwise stated, our valuation is prepared in accordance with the "First Edition of The HKIS Valuation Standards on Properties" published by The Hong Kong Institute of Surveyors (the "HKIS"), the Royal Institution of Chartered Surveyors ("RICS") Valuation Standards, as well as the International Valuation Standards (2011 edition). We have also complied with all the requirements contained in Paragraph 34(2), (3) of Schedule 3 of the Companies Ordinance (Cap. 32), Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Our valuation is made on the basis of Market Value which is defined by the HKIS to mean "the estimated amount for which a property should exchange on the date of valuation 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."

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 value of the property interests. Our valuation does not include consumption tax nor local consumption tax.

Our valuation includes those items that form part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc. For office, retail and warehouse portion, we have excluded all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed by the tenants. Whilst for the hotel portion, our valuation includes fixtures, furniture, equipment, etc. which are used in connection with the hotel operation within the property and would normally pass with the sale of the property.

We have valued the property interests by making reference comparable sales evidences as available in the market. In forming our opinion of value of the subject property, we have assumed that the owner has free uninterrupted rights to use and assign the property interests for the whole of the unexpired term of land use rights as granted. Unless otherwise stated, we have valued the property interests on the assumption that it is freely disposable and transferable for its existing uses to both local and overseas purchasers whether as a whole or on a strata-title basis without payment of any premium to the relevant authorities.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation that may be incurred in effecting sales. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoing of an onerous nature that could affect the value.

We have relied to a considerable extent on the information provided by the Company/the Seller. We have no reason to doubt the truth and accuracy of the information provided to us by the Company/the Seller. We were also advised by the Company that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and have no reason to suspect that material information has been withheld.

We have accepted advice given to us on matters such as tenures, planning approvals, statutory notices, site and floor areas, and all other material information supplied by the Company. All documents and leases have been used for reference only and all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximate. No on-site measurements have been taken.

We have inspected the property to such extent as for the purpose of this valuation. The inspection was carried out on 12 November 2012 by Ms. Kaori Moriyama, a Licensed Real Estate Appraiser in Japan. 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 property is free of rot, infestation or any other structural defects.

We have assumed that the site is free of elevated levels of contaminants. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property.

Our valuation has been on Japanese Yen (“JPY”).

We enclose herewith our valuation certificate.

Yours faithfully,  
For and on behalf of  
**CBRE HK Limited**

**Alex PW Leung**  
*MRICS MHKIS RPS (GP)*  
*Senior Director*  
Valuation & Advisory Services

Encl.

*Note:* Mr Leung is a member of Royal Institution of Chartered Surveyors and a corporate member of the Hong Kong Institute of Surveyors. He has over 17 year’s valuation experience in the Asia. Under the supervision of Mr. Leung, a qualified valuer of CBRE K.K. Japan conducted the inspection and undertook the valuation.

## VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value as at 12 November 2012																		
<p>Rinku Gate Tower Building, 1 Rinku-Oraikita, Izumisaho, Osaka, Japan</p> <p>The property situates on a reclaimed land, which is on the opposite bank of Kansai International Airport.</p>	<p>Completed in August 1996, Rinku Gate Tower is a 56-storey (plus 2 basement levels) composite office, retail, hotel and international convention centre.</p> <p>The development was constructed on a site with a land area of approximately 10,215.74 sqm and a gross floor area of approximately 102,924.05 sqm. There are a total of 366 parking spaces provided in the basement car park.</p> <p>The area breakdown of the property is as follows:</p>	<p>As per a tenancy schedule dated 30 September 2012 provided to us, various areas had been leased at a total rent of JPY66,388,472 per month excluding turnover rent with a summary as follows:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Terms (years)</th> <th style="text-align: center;">Monthly Rental (JPY'000)</th> </tr> </thead> <tbody> <tr> <td>Hotel/Ancillary</td> <td style="text-align: center;">6-10</td> <td style="text-align: center;">39,450</td> </tr> <tr> <td>Office</td> <td style="text-align: center;">1-3</td> <td style="text-align: center;">15,652</td> </tr> <tr> <td>Retail</td> <td style="text-align: center;">1-20</td> <td style="text-align: center;">11,206</td> </tr> <tr> <td>Warehouse</td> <td style="text-align: center;">1-10</td> <td style="text-align: center;">80</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td></td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 3px double black;">66,388</td> </tr> </tbody> </table>		Terms (years)	Monthly Rental (JPY'000)	Hotel/Ancillary	6-10	39,450	Office	1-3	15,652	Retail	1-20	11,206	Warehouse	1-10	80	Total		66,388	<p>JPY2,710,000,000 (JAPANESE YEN TWO BILLION SEVEN HUNDRED TEN MILLION)</p>
	Terms (years)	Monthly Rental (JPY'000)																			
Hotel/Ancillary	6-10	39,450																			
Office	1-3	15,652																			
Retail	1-20	11,206																			
Warehouse	1-10	80																			
Total		66,388																			
	<p style="text-align: center;"><b>Leasable area (sqm)</b></p> <table border="0" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="padding-right: 20px;">Hotel with 359 rooms/Ancillary</td> <td style="text-align: right;">39,785.05</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">13,610.61</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">5,604.18</td> </tr> <tr> <td>Warehouse</td> <td style="text-align: right; border-bottom: 1px solid black;">966.47</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">59,966.31</td> </tr> </tbody> </table> <p>Land use rights of the property have been granted for a term of 30 years until 26 December, 2035. The annual government rent payable is JPY196,257,792.</p>	Hotel with 359 rooms/Ancillary	39,785.05	Office	13,610.61	Retail	5,604.18	Warehouse	966.47	Total	59,966.31	<p>The last expiry date of retail, office and warehouse spaces leases is 31 August 2016.</p> <p>The hotel as well as part of the ancillary spaces had been leased for long terms until 31 March 2017 and 26 December 2015 respectively.</p> <p>The rentals above were inclusive of management fees in general.</p>									
Hotel with 359 rooms/Ancillary	39,785.05																				
Office	13,610.61																				
Retail	5,604.18																				
Warehouse	966.47																				
Total	59,966.31																				

## Notes:

1. According to the register, the registered owner of the property is Resona Bank, Ltd.
2. According to City Government Town Planning Division, the property lies within an area zoned as commercial district, fire protection, the Rinku Town north district (International Business C District), urban landscape planning district (focused area) and landscape planning district.



**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 unaudited consolidated statement of financial position of the Group as at 30 June 2012 and adjusted for the effect of the Acquisition to illustrate how the Acquisition might have affected the financial position of the Group as if the Acquisition took place on 30 June 2012. As the unaudited pro forma statement of assets and liabilities has been prepared for illustrative purpose only, it may not purport to represent what the financial position of the Group would have been on actual completion of the Acquisition.

	<b>Before the Acquisition</b>	<b>Pro Forma Adjustment</b>		<b>After the Acquisition</b>
	<i>HK'000</i>	<i>HK'000</i>	<i>(Notes)</i>	<i>HK'000</i>
<b>Non-current assets</b>				
Investment properties	841,480	298,408	<i>(1)</i>	1,139,888
Properties, plant & equipment	21,568			21,568
Interests in associates	205,228			205,228
Interests in a jointly controlled entity	17,384			17,384
Available-for-sale investments	103,004			103,004
	<u><b>1,188,664</b></u>			<u><b>1,487,072</b></u>
<b>Current assets</b>				
Inventories	104,561			104,561
Trade and other receivables, deposits and prepayments	122,615	987	<i>(2)</i>	162,194
		38,592	<i>(3)</i>	
Tax recoverable	36			36
Investments held-for-trading	9,954			9,954
Bank balances and cash	921,796	(298,408)	<i>(1)</i>	631,579
		8,191	<i>(2)</i>	
	<u><b>1,158,962</b></u>			<u><b>908,324</b></u>

	Before the Acquisition <i>HK'000</i>	Pro Forma Adjustment <i>HK'000</i>	<i>(Notes)</i>	After the Acquisition <i>HK'000</i>
<b>Current liabilities</b>				
Trade payables, other payables and accruals	153,199	9,178	(2)	200,969
		38,592	(3)	
Bills payable	4,378			4,378
Dividend payable	38,785			38,785
Tax payable	32,488			32,488
Bank loans	<u>190,000</u>			<u>190,000</u>
	<b><u>418,850</u></b>			<b><u>466,620</u></b>
<b>Net current assets</b>	<b><u>740,112</u></b>			<b><u>441,704</u></b>
<b>Total assets less current liabilities</b>	<b><u>1,928,776</u></b>			<b><u>1,928,776</u></b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	<u>4,112</u>			<u>4,112</u>
<b>Net assets</b>	<b><u><u>1,924,664</u></u></b>			<b><u><u>1,924,664</u></u></b>

*Notes:*

- (1) The adjustment is to reflect the initial recognition of the Acquisition, which was completed on 21 December 2012, at a purchase price of JPY2,960,000,000 (equivalent to HK\$275,280,000) and other costs directly attributable to the Acquisition of JYP248,692,000 (equivalent to HK\$23,128,000), comprising consumption tax of JPY143,277,000 (equivalent to HK\$13,325,000), payable at 5% of the consideration on transfer of Property under the relevant local tax rules, and other expenses of JPY105,415,000 (equivalent to HK\$9,803,000) including legal fee relating to the Acquisition.
- (2) The adjustment is to reflect adjustment to purchase consideration for assets and liabilities related to leasing of the Property at the closing date.

*HK\$'000***Assets:**

Trade and other receivables, deposits and prepayments

Tax prepaid

987

**Liabilities:**

Trade payables, other payables and accruals

Rental received in advance

9,178**Net adjustment****8,191**

- (3) The adjustment is to reflect the rental deposits from tenants held by trustee at the closing date.



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

We report on the unaudited pro forma financial information of SiS International Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the acquisition of the beneficial interest in a trust (the "Acquisition") whose principal asset is a property named "Rinku Gate Tower Building" located at 1 Rinku Oraikita, Izumisano, Osaka, Japan (the "Property") might have affected the financial position of the Group, for inclusion in Appendix IV of the circular dated 22 February 2013 (the "Circular"). The basis of preparation of the unaudited pro forma financial information is set out on pages 15 to 16 to the Circular.

**Respective responsibilities of directors of the Company and reporting accountants**

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 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" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited 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 unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

**Basis of opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 30 June 2012 or any future date.

### **Opinion**

In our opinion:

- a) the unaudited pro forma financial information has been properly compiled by the directors of the Company 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 29(1) of Chapter 4 of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong  
22 February 2013

## 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 number of issued ordinary shares held	Percentage of the issued share capital of the Company
					185,227,200	66.86%
Lim Kiah Meng (Note 4)	5,403,200	650,000	534,000	178,640,000	185,227,200	66.86%
Lim Kia Hong (Note 4)	5,771,108	608,000	–	178,640,000	185,019,108	66.79%
Lim Hwee Hai (Note 3)	3,331,200	3,579,158	–	–	6,910,358	2.49%
Lim Hwee Noi (Note 3,4)	3,579,158	3,331,200	–	–	6,910,358	2.49%
Lee Hiok Chuan	83,333	–	–	–	83,333	0.03%
Ong Wui Leng	83,333	–	–	–	83,333	0.03%

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 3,579,158 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 608,000 shares on behalf of six beneficiaries aged below 18. Out of these 608,000 shares, 400,000 shares and 208,000 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	Exercisable period	Exercise price HK\$	Number of share options outstanding at the Latest Practicable Date
<b>Lee Hiok Chuan</b>				
20 August 2007	21 August 2007 – 18 February 2009	18 February 2009 – 20 May 2017	1.72	83,333
20 August 2007	21 August 2007 – 18 February 2010	18 February 2010 – 20 May 2017	1.72	83,334
<b>Ong Wui Leng</b>				
20 August 2007	21 August 2007 – 18 February 2009	18 February 2009 – 20 May 2017	1.72	83,333
20 August 2007	21 August 2007 – 18 February 2010	18 February 2010 – 20 May 2017	1.72	83,334
				333,334

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

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 (Note)	Total number of issued ordinary shares held in SiS THAI	Approximate % of issued share capital of SiS THAI

Lim Kia Hong	161,250	109,725,000	109,886,250	47.07%
Lim Hwee Hai	163,125	–	163,125	0.07%

*Notes:*

The Company indirectly holds 109,725,000 ordinary shares of the issued capital of SiS THAI. As disclosed in (i) above, Mr. Lim Kia Hong and his spouse has total interest of 66.79% in the Company, therefore Mr. Lim has deemed corporate interest in SiS THAI 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**

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, save as a tenancy agreement entered between a subsidiary of the Company and Ever Rich Technology Limited, a connected person (as defined in the Listing Rules) for leasing of office for a period from 1 January 2012 to 31 December 2013 for a monthly rental of HK\$59,000 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 2011, 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 subscription agreement to subscribe for 17,929,900 shares in Information Technology Consultants Limited ("ITCL") (representing approximately 23.9% of the entire issued ordinary shares capital of ITCL after subscription) for a total consideration of TK502,037,200 (equivalent to HK\$52,714,000), dated 25 August 2011; and
- (ii) the Sales & 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:

<b>Name</b>	<b>Qualification</b>
CBRE HK Limited	Independent Qualified Valuers
Deloitte Touche Tohmatsu	Certified Public Accountants

Each of CBRE HK 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 2011 (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 HK 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 2011, 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 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, 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 604 Eastern Harbour Centre, 28 Hoi Chak Street, Quarry Bay, Hong Kong up to and including 14 March 2013:

- (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 2009, 31 December 2010 and 31 December 2011; and the interim report of the Company for the six months ended 30 June 2012;
- (iv) the letter and valuation certificate prepared by CBRE HK Limited, the text of which is set out in Appendix III to this circular; and
- (v) the letter from Deloitte Touche Tohmatsu in respect of the pro forma financial information of the Group, 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 contacts referred to under the section headed "Material Contracts" in this appendix.