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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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15 July 2015

\* *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 Property by the Purchaser from the Vendor pursuant to the S&P 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 S&P 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
“Latest Practicable Date”	10 July 2015, 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”	33rd floor of United Centre, No. 95 Queensway, Admiralty, Hong Kong with a total gross floor area of approximately 20,489 square feet

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## DEFINITIONS

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<b>“S&amp;P Agreement”</b>	the agreement for sale and purchase of the Property entered into between the Vendor and the Purchaser on 22 May 2015
<b>“Purchaser”</b>	UC Capital Limited, an indirect wholly-owned subsidiary of the Company
<b>“SFO”</b>	the Securities and Futures Ordinance (Chapter 571) of Hong Kong
<b>“Shareholder(s)”</b>	Shareholder(s) of the Company, holder(s) of the ordinary share(s) of HK\$0.1 each of the Company
<b>“Stock Exchange”</b>	the Stock Exchange of Hong Kong Limited
<b>“Valuer”</b>	A.G. Wilkinson & Associates (Surveyors) Limited, an independent qualified valuer
<b>“Vendor”</b>	“K” Line (Hong Kong) Limited

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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:**

803 Nine Queen's Road Central

Hong Kong

15 July 2015

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTION**

### **ACQUISITION OF PROPERTY**

#### **I. INTRODUCTION**

On 22 May 2015, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the S&P Agreement with the Vendor for the acquisition of the Property located at the 33rd floor of United Centre at No. 95 Queensway, Admiralty, Hong Kong at a consideration of HK\$311,600,000.

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

22 May 2015

#### Parties

- (1) “K” Line (Hong Kong) Limited, as the Vendor; and
- (2) UC Capital Limited, 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 a liner services company.

#### Information of the Property

Pursuant to the terms and conditions of the S&P Agreement, the Vendor shall sell and the Purchaser shall acquire the Property, which is located at the 33rd floor of United Centre, No. 95 Queensway, Admiralty, Hong Kong and having a total gross floor area of approximately 20,489 square feet. A portion of the Property has been occupied by a tenant and the remaining portion shall be delivered in vacant possession. The Company intends to continue the lease to existing tenant and to lease those vacant units in the Property for rental income after completion of the Acquisition. The existing tenancy agreement is for a lease term from 10 August 2014 to 9 August 2017 at monthly rental of HK\$236,000, exclusive of management fee and/or air-conditioning charges. Rental income generated from the leased portion of the Property for the two financial years ended 31 December 2013 and 2014 amounted to approximately HK\$3,022,000 and HK\$2,946,000 respectively.

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 Listing Rule 14.67(6)(b)(i), such that the following information be disclosed instead. Based on the terms of the tenancy agreements of the leased portion of the Property and the experience of the Company’s management in the property industry, the estimated expenses paid and payable by the landlord in respect of the three financial years ended 31 December 2012, 2013 and 2014 amounted to approximately HK\$1,368,000, HK\$1,440,000 and HK\$1,440,000 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.

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## LETTER FROM THE BOARD

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The Property was valued as HK\$370,000,000 as at 30 June 2015 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 HK\$311,600,000, which shall be satisfied by the Purchaser in an initial deposit of HK\$31,160,000, representing 10% of the total consideration for the Acquisition, shall be payable by the Purchaser upon the signing of the S&P Agreement; and HK\$280,440,000, representing the remaining balance of the total consideration for the Acquisition, shall be payable by the Purchaser upon Completion.

The consideration for the Acquisition was 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 comparable properties in the same area. It is expected that the consideration will be financed by a combination of internal resources of the Group and bank financing. The allocation between the internal resources and bank financing is not determined yet, and is depending on the negotiation and finalisation of bank financing terms with bank.

### **Completion**

Subject to satisfaction of the conditions to the S&P Agreement, completion of the Acquisition shall take place on or before 31 July 2015.

### **III. 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 run.

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

The Property is held as an investment property in the Group after Completion. Based on the audited financial position at 31 December 2014, and following the Acquisition, the investment properties of the Group is expected to increase by HK\$340,131,000; the total assets of the Group is expected to increase by HK\$13,348,000; 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 bank balances and cash and increase in liabilities of the Group. It is estimated the Property will contribute an annual gross rental of approximately HK\$10,988,000 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 50.59% 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 2012 is disclosed on pages 27 to 93 of the 2012 annual report of the Company released on 18 April 2013; (ii) 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; and (iii) 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. 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 May 2015, 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\$897,136,000 which were secured by investment properties, bank deposits as well as trust beneficiary interests, preferred shares and specified shares of subsidiaries, a secured bank overdraft of approximately HK\$36,303,000 which was secured by bank deposits, and secured bonds of approximately HK\$138,287,000 which were secured by trust beneficiary interests, preferred shares and specified shares of subsidiaries. Except for a secured bank borrowing of HK\$16,681,000 and a secured bank overdraft which are guaranteed by the directors of a subsidiary, and a secured bank borrowing of HK\$9,125,000 which is guaranteed by the Company, all other balances are not covered by a guarantee as at 31 May 2015.

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 May 2015, have any outstanding loan capital issued, 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 May 2015.

**5. 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 of property in the long term. As at 31 December 2014, the Group's net current assets were HK\$412,000,000 with cash balance of HK\$821,000,000 and the debt (i.e. the bank loans, bank overdrafts and bonds) to shareholders' fund ratio was 37%. After the Completion of the Acquisition, which will be funded by a combination of internal resources of the Group and new bank borrowings, the Directors expect that the Group's financial position shall remain solid for at least the current financial year ending 31 December 2015.

The Company continues to grow its real estate portfolios in Hong Kong and overseas. The acquisition of properties gave the opportunity to build on the momentum as it provides a steady income stream to the Group.

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## APPENDIX II      UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY

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### PROFIT AND LOSS STATEMENT OF THE PROPERTY

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, a profit and loss statement of the Property for the three preceding financial years ended 31 December 2012, 2013 and 2014 (the “Relevant Financial Years”) on identifiable net income stream and valuation in relation to the Property which must be reviewed by the auditor or reporting accountant to ensure that such information has been properly compiled and derived from the underlying books and records.

A portion of the property is currently let to a third party and the remaining portion is occupied by the seller. Except for the two copies of the Tenancy Agreements covering one office unit on the Property (the “Tenancy Agreements”) for commencement dates 10 August 2011 and 10 August 2014, despite requests made by the Company with the Vendor, the Vendor has not agreed to grant permission for the Group to gain full access to the underlying books and records or other financial information regarding the direct costs and other expenses for the preparation of the financial information of the Property for the Relevant Financial Years. The Group is unable to comply the disclosure requirement under 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. The financial information of the Property for each Relevant Financial Years set out below has been prepared by the Directors solely based on the terms of the Tenancy Agreements and the experience of the Group and/or the Company’s management in the property industry. Accordingly, it may not give a true picture of the performance of the Property actually occurred during the Relevant Financial Years.

Pursuant to the Tenancy Agreements, which have a fixed term of three years and the commencement dates are 10 August 2011 and 10 August 2014, the monthly rentals exclusive of management fee and/or air-conditioning charges are HK\$252,000 and HK\$236,000 respectively. Gross rental income for the three financial years ended 31 December 2012, 2013 and 2014 amounted to HK\$3,022,000, HK\$3,022,000 and HK\$2,946,000 respectively.

The tenant is responsible for Government rates, management charges, air-conditioning charges, utilities expenses, all service management and maintenance charges (save and except those of a capital or non-recurring nature) and all other outgoings while the landlord is responsible for Government rent and property tax. The estimated monthly expenses paid and payable by the landlord in respect of the three financial years ended 31 December 2012, 2013 and 2014 would be HK\$114,000, HK\$120,000 and HK\$120,000 respectively.

Save for the above limited information, the Directors are unable to ascertain the amount of any other expenses in relation to the Property. Accordingly, no other expenses such as land lease, depreciation, repair and maintenance, and finance costs were included in the above estimation. The information set out above is prepared using accounting policies which are materially consistent with those of the Company.

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## APPENDIX II      UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY

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*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 the schedule setting out the address, names of lessor and lessee, rental period, monthly rent and gross rental income for the three years ended 31 December 2012, 2013 and 2014 from the management of the Company (the “Gross Rental Income Summary”) and checked the arithmetical accuracy of the total Gross Rental Income for the three years ended 31 December 2012, 2013 and 2014. The Gross Rental Income Summary was prepared by and the sole responsibility of the directors of the Company.
2. From the Gross Rental Income Summary, the auditor agreed the address, names of the lessor and lessee, rental period and monthly rent (the “Particulars”) to the tenancy agreements provided by the Vendor.

The auditors of the Company report their findings below:

- a. With respect to procedure 1, the auditor found the total Gross Rental Income for the three years ended 31 December 2012, 2013 and 2014 included in the Gross Rental Income Summary to be arithmetically accurate.
- b. With respect to procedure 2, from the Gross Rental Income Summary, the auditor found the Particulars to be in agreement with the relevant tenancy agreements.

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 do not express any assurance on the Gross Rental Income and the Gross Rental Income Summary.

Had the auditor performed additional procedures or had the auditor performed an assurance engagement of the Gross Rental Income and the Gross Rental 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 auditors’ attention that would have been reported to the 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.



**A.G. WILKINSON & ASSOCIATES (SURVEYORS) LIMITED**  
韋 堅 信 測 量 師 行 有 限 公 司  
Unit 2701, 27/F, The Center, 99 Queen's Road Central, Hong Kong.  
Tel: 2521-6467 Fax: 2845-2642, 2804-6352 www.agwilkinson.com E-mail: e@agw.com.hk

July 15, 2015

Our Ref: 15/VT/00580

The Directors  
SIS International Holdings Limited &  
UC Capital Limited  
Unit 803, 8th Floor  
Nine Queen's Road Central  
Hong Kong

Dear Sirs,

Re: Office on 33rd Floor  
United Centre  
No. 95 Queensway  
Hong Kong  
**"the subject property"**

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In accordance with your instructions for us to value the captioned property which is to be acquired by SIS International Holdings Limited (the "Company") and/or its subsidiaries (together referred to as (the "Group")), we confirm that we have carried out inspection, made relevant enquiries and searches as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at June 30, 2015 (the "Valuation Date") for the purpose of inclusion in a circular to be issued by the Group for the acquisition of the subject property.

The term, Market Value, is defined by the International Valuation Standards and followed by The HKIS Valuation Standards (2012 Edition) issued by the Hong Kong Institute of Surveyors as "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 where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood as the value of an asset or liability estimated without regard to cost of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation has been made on the assumption that the owner sells the property interest on the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the property value of such property interest. No account has been taken of any option or right of pre-emption concerning or affecting the sale of such property interest and no forced sale situation in any manner is assumed in our valuation.

We have valued the property by using Direct Comparison method by making reference to comparable sales transactions as reported in the market at similar locations. Appropriate adjustments have been made between the comparables and the subject property for all the relevant factors.

We have caused searches to be made at the relevant Land Registries. However, we have not searched the original documents to verify ownership or to ascertain any lease amendments. We shall not assume any responsibility for matter legal in nature, nor do we give any opinion as to the title which is assumed to be good transferable and marketable.

We have taken reasonable steps and our best effort to verify all data, information and sources of information being relied upon in the preparation of the valuation, including matters such as planning approvals, statutory notices, easements, tenure, occupancy, lettings, floor areas and all other relevant matters. All information, documents and leases have been used as reference only. All dimensions, measurements and areas are approximate. Unless otherwise stated, the conversion factor of 1 square metre to 10.764 square feet is adopted.

Whilst we have carried out an inspection of the property, we have not carried out a structural survey and it was not possible to inspect the wood work and other parts of the structure which were covered, unexposed or inaccessible. We are, therefore, unable to report whether the property is free of rot, infestation or any other structural defects. No tests were carried out on any of the building services.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on any property interest nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Our valuation has been prepared in accordance with The HKIS Valuation Standards (2012 Edition), the relevant provisions in the Company Ordinance and it has complied with Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

We attached herein our summary of valuation and valuation certificate for your reference.

Yours faithfully,

For and on behalf of

**A.G. WILKINSON & ASSOCIATES  
(SURVEYORS) LIMITED**

**Sr. Ringo C.C. Lam**

BSc(Hons), MCIREAA, MHKIS, RPS(GP)

Director of Valuation and Consultancy Services

RL/AL/jy

*Note:* Sr. Ringo C.C. Lam is a Registered Professional Surveyor (General Practice Division) in the Hong Kong Special Administrative Region of The People's Republic of China. He is a Professional Member of the China Institute of Real Estate Appraisers and Agents, and The Hong Kong Institute of Surveyors. He joined this professional practice since 1995 and he had about 22 years of post qualification experience in General Practice Surveying in Hong Kong.

He is currently on the "List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuation in connection with Takeovers and Mergers" of The Hong Kong Institute of Surveyors.

## SUMMARY OF VALUATION

<b>Property</b>	<b>Market Value as at June 30, 2015 (HK\$)</b>
Office on 33rd Floor United Centre No. 95 Queensway Hong Kong	\$370,000,000
<b>Total:</b>	<u><u>\$370,000,000</u></u>

*Note:*

The property was valued at HK\$370,000,000 (THREE HUNDRED AND SEVENTY MILLION HONG KONG DOLLARS) by A. G. Wilkinson & Associates (Surveyors) Ltd., as at June 30, 2015 on the basis of Market Value, in accordance with The HKIS Valuation Standards (2012 Edition), the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong.

## VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Market Value as at June 30, 2015
Office on 33 <sup>rd</sup> Floor United Centre No. 95 Queensway Hong Kong	The property comprises the whole floor of 33rd Floor of a 38-storey commercial/office building which was completed in 1981.	Based on the information provided by the group, a portion of the property (i.e. about 5,240 square feet in saleable area) is	HK\$370,000,000
1742/74554 shares of and in Inland Lot No. 8469	Ground floor of the building is designated as a bus terminus, 1st to 7th Floor are designated for retail, restaurant and car parking purpose. The upper floors provide Grade A office units.	currently let to third-party and subject to a tenancy agreement for a lease term from August 10, 2014 to August 9, 2017 at a monthly rental of HK\$256,783.10, inclusive of management fee and/or air-conditioning charges. The remaining area is currently occupied by the registered owner (i.e. The Vendor).	
	The property has a gross floor area of approximately 20,489 sq.ft. (1,903.47 sq.m.) and a saleable area of approximately 18,190 sq.ft. (1,689.89 sq.m.) or thereabouts.		
	The property is held from the Government under Conditions of Sale No. UB11233 for a lease term of 75 years from August 4, 1978 and renewable for 75 years.		
	The current Government Rent payable for the lot is HK\$1,000 per annum.		
	There is no option or any rights of pre-emption concerning or affecting the property.		

*Notes:–*

- 1) The registered owner of the property is “Kawasaki (Hong Kong) Limited” vide Memorial No. UB3901377 dated October 31, 1988.
- 2) The property is subject to a Pari Passu deed in favour of “The Bank of Tokyo Limited and “The Dai-ichi Kanyo Bank Limited” vide Memorial No. UB3901380 dated October 31, 1988.
- 3) The property is currently zoned for “Commercial” Purpose under Central District Outline Zoning Plan No. S/H4/14 dated April 9, 2013.
- 4) We confirm that we are independent and we are not aware of any involvement, nor any conflict of interest, previously or current, which are material in performing this valuation instruction from SIS International Holdings Limited and UC Capital Limited.
- 5) The inspection was undertaken by Sr. Andy W.C. Law and Ms. Lilian Fung on May 11, 2015 under the supervision of the Qualified Valuer in accordance with the Valuation Standards and the Listing Rules.

On-site inspections were carried out at the subject property and the surrounding area for the investigation of the physical attributes of the building, the nature of the locality and the internal fitting out conditions of the owner occupied portion only. The tenanted portion of the office premises was not available for our inspection. While the external condition of the building (i.e. United Centre) was seen to be reasonably well maintained, the internal condition of the subject property was seen to be good under the owner’s occupation in the trading name of “K” LINE (HONG KONG) LTD. All building services are available. It is noted that the owner occupied portion enjoys distant views of the neighbouring buildings.

Sr. Andy W.C. Law is a Registered Professional Surveyor (General Practice Division) in The Hong Kong Special Administrative Regions of The People’s Republic of china. He is a Corporate Member of The Hong Kong Institute of Surveyors with over 10 years of post qualification experience in General Practice Surveying in Hong Kong. Ms. Lilian Fung is currently valuer of this professional practice and a probationer in the General Practice Division of The Hong Kong Institute of Surveyors.

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**APPENDIX IV    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

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**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 2014 extracted from the Company's annual report for the year ended 31 December 2014 and adjusted for the effect of the Acquisition as 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 2014. 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 represent what the financial position of the Group would be 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	2,015,865	340,131	<i>(1)</i>	2,355,996
Property, plant and equipment	191,012			191,012
Goodwill	11,509			11,509
Intangible assets	45,568			45,568
Interests in associates	166,067			166,067
Interests in a joint venture	–			–
Available-for-sale investments	136,640			136,640
	<u>2,566,661</u>			<u>2,906,792</u>
<b>Current Assets</b>				
Inventories	74,880			74,880
Trade and other receivables, deposits and prepayments	126,741			126,741
Amount due from a joint venture	8,741			8,741
Derivative financial instruments	13,254			13,254
Tax recoverable	3,157			3,157
Investments held-for-trading	11,248			11,248
Pledged deposits	493,522			493,522
Bank balances and cash	327,583	(327,583)	<i>(1)</i>	800
		800	<i>(2)</i>	
	<u>1,059,126</u>			<u>732,343</u>

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**APPENDIX IV    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

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	<b>Before the Acquisition</b> <i>HK\$000</i>	<b>Pro forma Adjustment</b> <i>HK\$000</i>	<i>(Notes)</i>	<b>After the Acquisition</b> <i>HK\$000</i>
<b>Current liabilities</b>				
Trade payables, other payables and accruals	152,242	12,548	<i>(1)</i>	165,590
		800	<i>(2)</i>	
Tax payable	18,072			18,072
Bank loans	437,850			437,850
Bank overdrafts	39,084			39,084
	<u>647,248</u>			<u>660,596</u>
<b>Net Current assets</b>	<u>411,878</u>			<u>71,747</u>
<b>Total assets less current liabilities</b>	<u>2,978,539</u>			<u>2,978,539</u>
<b>Non-current liabilities</b>				
Bank loans	312,853			312,853
Bonds	106,167			106,167
Deferred tax liabilities	21,011			21,011
Rental deposits	87,268			87,268
	<u>527,299</u>			<u>527,299</u>
<b>Net assets</b>	<u><u>2,451,240</u></u>			<u><u>2,451,240</u></u>

*Notes:*

1. The adjustment is to reflect the Acquisition at a purchase price of HK\$311,600,000 together with other directly attributable costs of acquisition of HK\$28,531,000, comprising stamp duty payable of HK\$26,486,000 and other expenses of HK\$2,045,000 including legal fee relating to the Acquisition. The Property is classified as investment properties as the Directors intend to hold the Property for rental 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 valued at HK\$370,000,000 as of 30 June 2015. For simplicity, it is assumed that the fair value of investment properties approximate the amount as reflected in the pro forma adjustments. The investment properties are initially measured at cost (inclusive of transaction costs) and subsequently measured at fair value. The subsequent increase in fair value of the investment properties has not been reflected here for the purposes of this pro forma financial information.
2. The Property is sold subject to and with the benefit of the Tenancy Agreement. Pursuant to the sales and purchase agreement, the Vendor shall transfer all rental deposits to the Group upon completion of the Acquisition. Accordingly, this adjustment reflects the rental deposits of the tenant transferred from the Vendor to the Group as if the Acquisition took place on 31 December 2014.

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**APPENDIX IV    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

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The adjustments made consist of the following:

	<i>HK\$'000</i>
<b>Assets:</b>	
Bank balances and cash	<u>800</u>
<b>Liabilities:</b>	
Trade payables, other payables and accruals	
Rental deposits	<u>800</u>



**ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION  
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 2014 and related notes as set out on pages 17 to 19 of the circular issued by the Company dated 15 July 2015 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages 17 to 19 of the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed major acquisition of property on the Group's financial position as at 31 December 2014 as if the proposed major acquisition of property had taken place at 31 December 2014. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2014, on which an audit report has been published.

**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 ("AG7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Reporting Accountant's 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.

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## APPENDIX IV UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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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 2014 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 accountant’s judgment, having regard to the reporting accountant’s 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  
15 July 2015

## 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
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	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	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 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 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	Exercisable period	Exercise price HK\$	Number of share options outstanding at the Latest Practicable Date
<b>Lim Kia Hong</b>				
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
<b>Lim Kiah Meng</b>				
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	Exercisable period	Exercise price HK\$	Number of share options outstanding at the Latest Practicable Date
<b>Lim Hwee Hai</b>				
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
<b>Lim Hwee Noi</b>				
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
<b>Lee Hiok Chuan</b>				
20.08.2007	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
<b>Ong Wui Leng</b>				
20.08.2007	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
<b>Ma Shiu Sun, Michael</b>				
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
				<u>1,090,000</u>

(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	241,875	165,616,595	165,858,470	47.36%
Lim Hwee Hai	244,687	–	244,687	0.07%

Notes:

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.

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

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

Name of Director	Personal Interests	Family Interests	Joint Interests (Note 1)	Corporate interests (Note 2 and 3)	Total number of issued ordinary shares held	Percentage of the issued share capital of SiS Mobile
Lim Kia Hong (Note 4)	1,846,745	161,280	–	203,607,467	205,615,501	73.43%
Lim Kiah Meng (Note 4)	1,729,024	144,000	170,880	203,607,467	205,651,371	73.45%
Lim Hwee Hai	1,065,984	1,145,330	–	–	2,211,314	0.79%

*Notes:*

- (1) *Shares are jointly held by Mr. Lim Kaih 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 50.59% 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. Lm 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) *In addition to the interests disclosed above, Mr. Lim Kiah Meng and his sister are trustees of an estate and are holding 97,280 shares on behalf of three beneficiaries aged below 18. Out of these 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.*
- (b) Ordinary share of 10 Taka each of Information Technology Consultants Ltd. (“ITCL”), which is incorporated in Bangladesh.

<b>Name of Director</b>	<b>Corporate interests (Note)</b>	<b>Approximate% of issued share capital of ITCL</b>
Lim Kiah Meng	40,059,390	53.41%

*Notes:*

*A related corporation which is jointly owned by Mr. Lim Kiah Meng and his spouse hold 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 has total interest of 66.68% in the Company, therefore Mr. Lim has deemed corporate interest of 32,709,390 in ITCL under the SFO.*

## (v) Share Options of SiS Mobile, a subsidiary of the Company

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Number of share options outstanding of SiS Mobile at the Latest Practicable Date
<b>Lim Kia Hong</b>				
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
<b>Lim Kiah Meng</b>				
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
<b>Lim Hwee Hai</b>				
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
<b>Lim Hwee Noi</b>				
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

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

## (a) 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 (Note 3)	Total number of issued ordinary shares held	Percentage 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.

## (b) Long positions in ordinary shares and underlying shares of a subsidiary of the Company

Name of Shareholder	Corporate interests (Note)	Approximate% of issued share capital of SiS Mobile
Summertown Ltd	203,607,467	72.72%
Gold Sceptre Limited	191,357,867	68.34%

*Notes:*

*146,442,667 shares of SiS Mobile are registered in the name of the Company. The Company is owned as to approximately 50.59% by Gold Sceptre Limited. 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.*

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the registered 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, an executive director and his spouse have ultimate controlling interest in it) for leasing of office for a period from 1 January 2014 to 31 December 2015 for a monthly rental of HK\$66,000, 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 2014, 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 of 58,655,578 newly issued ordinary shares of SiS THAI under its right offering to its existing shareholders at the offer price of Baht 3.25 per shares on 10 June 2013. Final allotment of 55,891,595 ordinary shares with total consideration Baht 181,647,683.75 (approximately HK\$46,454,000) on 21 June 2013;
- (ii) the sale and purchase agreement regarding acquisition of trust beneficial interests of five hotel properties in Japan 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, dated 3 September 2013 and other agreements in relation thereto;
- (iii) establishment of US\$330 million multicurrency medium term note program on 30 December 2013 and notes can be issued in bearer or registered form and may be listed on the Singapore Exchange Securities Trading Limited or any other stock exchange;
- (iv) the sale and purchase agreement regarding acquisition of trust beneficial interest of the property 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;
- (v) the sale and purchase agreement regarding acquisition of trust beneficial interest of the property 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; and
- (vi) the S&P 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>
A.G. Wilkinson & Associates (Surveyors) Limited	Independent Qualified Valuers
Deloitte Touche Tohmatsu	Certified Public Accountants

Each of A.G. Wilkinson & Associates (Surveyors) 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 2014 (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 A.G. Wilkinson & Associates (Surveyors) 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 2014, 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 31 July 2015:

- (i) this circular;
- (ii) the memorandum of association and Bye-Laws of the Company;
- (iii) the annual reports of the Company for the two years ended 31 December 2013 and 31 December 2014;
- (iv) 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;
- (v) the letter and valuation certificate prepared by A.G. Wilkinson & Associates (Surveyors) Limited, the text of which is set out in Appendix III 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.