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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)

DISCLOSABLE TRANSACTION ACQUISITION OF TRUST BENEFICIAL INTEREST OF A HOTEL PROPERTY IN JAPAN

On 16 June 2016, the Purchaser, SiSJP10 TMK, an indirect wholly-owned subsidiary of the Company, has entered into the Sale & Purchase Agreement with the Seller for the Acquisition of the Trust Beneficial Interest of a property in Japan at a consideration of JPY1,670,000,000 (approximately HK\$116,900,000).

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Acquisition constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

On 16 June 2016, the Purchaser, SiSJP10 TMK, an indirect wholly-owned subsidiary of the Company, has entered into the Sale & Purchase Agreement with the Seller for the Acquisition of the Trust Beneficial Interest of a property named Hotel Sun Plaza Sakai Annex in Osaka, Japan at a consideration of JPY1,670,000,000 (approximately HK\$116,900,000).

Parties

- (1) SiSJP10 TMK, an indirect wholly-owned subsidiary of the Company, as the Purchaser;
and
- (2) 株式会社ミヤエステート(Kabushiki Kaisha Miya Estate), as the Seller.

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

The principal business activity of the Seller is property leasing company.

** For identification purpose only.*

Information of the Trust Beneficial Interest

Subject to the terms and conditions of the Sale & Purchase Agreement, the Seller shall sell and the Purchaser shall acquire the Trust Beneficial Interest of a property named Hotel Sun Plaza Sakai Annex, including land and building and furniture, fixtures and equipment, located at Osaka Japan. Seller acquired the property on 30 June 2015, and leased to a hotel operator at fixed rental for 1 year. Prior to the Completion, Seller would entrust the property, and sell it to the Purchaser in the form of Trust Beneficial Interest on the Completion date. On Completion, a new hotel management contract would be signed between the Group and the existing hotel operator.

Based on the information provided by the Seller, the estimated profit before taxation for the period 1 July 2015 to 30 April 2016 (ten months period) amounted to JPY79,600,000 (approximately HK\$5,572,000).

The property was valued at JPY1,680,000,000 (approximately HK\$117,600,000) (excluding furniture, fixtures and equipment) as at 13 June 2016 by an independent professional valuer.

Consideration and Payment Terms

The consideration for the Acquisition is JPY1,670,000,000 (approximately HK\$116,900,000) comprising of land and building of JPY1,669,900,000 (approximately HK\$116,893,000) and furniture, fixtures and equipment of JPY100,000 (approximately HK\$7,000) and will be payable and satisfied in full by internal resources and bank financing upon Completion.

The consideration for the Trust Beneficial Interest has been determined after arm's length negotiations between the Seller and the Purchaser by reference to the prevailing market conditions, as well as the location of the property and market price of comparable properties in the proximity.

Completion

Subject to satisfaction of the conditions to the Sale & Purchase Agreement, completion of the Acquisition shall take place on 6 July 2016 or another date to be mutually agreed between the Purchaser and the Seller.

REASONS FOR THE ACQUISITION

The Group is an investment holding company. Its principal business includes real estate investment, mobile & IT products distribution as well as investments in promising businesses and securities. The Acquisition is in line with the Group's strategy in investing in income generating real estate with a potential of capital appreciation in the long term. Taking into account the above factors, the Board considers that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Shareholders and the Company as a whole.

GENERAL

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Acquisition constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“%”	per cent
“Acquisition”	the acquisition of the Trust Beneficial Interest of a property and furniture, fixtures and equipment by the Purchaser from the Seller pursuant to the Sale & Purchase Agreement
“Board”	the board of Directors
“Company”	SiS International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 00529)
“Completion”	completion of the Acquisition pursuant to the Sale & Purchase Agreement
“connected persons”	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
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange
“Purchaser”/ “SiSJP10 TMK”	SiSJP10 Tokutei Mokuteki Kaisha, an indirect wholly-owned subsidiary of the Company
“Sale & Purchase Agreement”	the agreement for sale and purchase of the Trust Beneficial Interest of a property and furniture, fixtures and equipment dated 16 June 2016 entered into between the Seller and the Purchaser
“Seller”	株式会社ミヤエステート(Kabushiki Kaisha Miya Estate), a Japan-based company
“Shareholders”	Shareholders of the Company, holders of the ordinary shares of HK\$0.10 each of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Trust Beneficial Interest”

the trust beneficial interest of the land and building located at 15, 16 Ryujinbashicho, 1-cho, Sakai-ku, Sakai-shi, Osaka, Japan

The exchange rate adopted for the purpose of this announcement is HK\$70 to JPY 1,000.

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

Hong Kong, 16 June 2016

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