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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF TWO PROPERTIES IN JAPAN

On 12 December, 2016, the Purchaser, SiSJP10 TMK, an indirect wholly-owned subsidiary of the Company, entered into the Sale & Purchase Agreement with the Seller for the Acquisition of two properties in Japan at a total consideration of JPY3,000,000,000 (equivalent to approximately HK\$210,000,000).

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 discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

On 12 December, 2016, the Purchaser, SiSJP10 TMK, an indirect wholly-owned subsidiary of the Company, entered into the Sale & Purchase Agreement with the Seller for the Acquisition of two properties located in Kyoto, Japan at a total consideration of JPY3,000,000,000 (equivalent to approximately HK\$210,000,000).

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 engaged in the operation of hotel business.

* For identification purpose only.

Information of the Properties

Subject to the terms and conditions of the Sale & Purchase Agreement, the Seller shall sell and the Purchaser shall acquire the Properties including lands and buildings, located in Kyoto city, Japan. On Completion, the Seller will lease back the Properties from the Purchaser and two lease agreements will be entered into between the Purchaser and the Seller.

Based on the information provided by the Seller, the unaudited gross operating profit before taxation generated from operating the Properties for the period from 1 October 2014 to 30 September 2015 and for the period from 1 October 2015 to 30 September 2016 amounted to JPY106,000,000 (equivalent to approximately HK\$7,420,000) and JPY231,000,000 (equivalent to approximately HK\$16,170,000) respectively.

The Properties were valued at JPY3,100,000,000 (equivalent to approximately HK\$217,000,000) as at 30 November 2016 by an independent professional valuer.

Consideration and Payment Terms

The total consideration for the Acquisition is JPY3,000,000,000 (equivalent to approximately HK\$210,000,000) and will be paid and satisfied in full by internal resources of the Group and bank financing upon Completion.

The total consideration for the Properties 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 Properties 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 22 December 2016 or another date to be mutually agreed between the Purchaser and the Seller.

REASONS AND BENEFITS OF 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.

LISTING RULES IMPLICATIONS

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 discloseable 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 Properties 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
“Properties”	the lands and buildings of two hospitality properties located in Kyoto city, Japan with a total gross site area of approximately 1,040.5 square meter.
“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 Properties dated 12 December 2016 entered into between the Seller and the Purchaser

“Seller”	A company based in Japan who is principally engaged in the operation of hotel business in Japan
“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

The exchange rate adopted for the purpose of this announcement is HK\$70 to JPY 1,000. No representation is made that any amounts in JPY and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

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

Hong Kong, 12 December 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.