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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)

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

The directors (the “Directors”) of SiS International Holdings Limited (the “Company”) are pleased to announce the condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2017 together with comparative figures for the corresponding period in 2016. The interim financial statements have been reviewed by the Company’s auditor and audit committee.

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended	
		30 June 2017 HK\$’000 (unaudited)	30 June 2016 HK\$’000 (unaudited)
Revenue	3	454,389	583,551
Cost of sales		<u>(361,293)</u>	<u>(503,689)</u>
Gross profit		93,096	79,862
Other income		3,476	4,165
Other gains and losses	4	4,786	(22,599)
Distribution costs		(13,423)	(15,106)
Administrative expenses		(43,229)	(49,158)
Gain from changes in fair value of investment properties		24,314	60,263
Share of results of associates		16,757	11,835
Finance costs		<u>(16,692)</u>	<u>(12,797)</u>
Profit before tax		69,085	56,465
Income tax expense	5	<u>(6,273)</u>	<u>(9,181)</u>
Profit for the period	6	<u><b>62,812</b></u>	<u><b>47,284</b></u>
<b>Profit for the period attributable to:</b>			
Owners of the Company		59,222	34,901
Non-controlling interests		<u>3,590</u>	<u>12,383</u>
		<u><b>62,812</b></u>	<u><b>47,284</b></u>

\* For identification purposes only

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)**

	<i>Notes</i>	<b>Six months ended</b>	
		<b>30 June 2017 <i>HK cents</i> (unaudited)</b>	<b>30 June 2016 <i>HK cents</i> (unaudited)</b>
EARNINGS PER SHARE	7		
-Basic		<b>21.3</b>	12.6
-Diluted		<b>21.3</b>	12.6

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>Six months ended</b>	
	<b>30 June 2017 <i>HK\$'000</i> (unaudited)</b>	<b>30 June 2016 <i>HK\$'000</i> (unaudited)</b>
Profit for the period	<b>62,812</b>	47,284
<b>Other comprehensive income :</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
Loss on fair value change of available-for-sale investments	<b>(4,763)</b>	(1,349)
Exchange realignment arising on translation of foreign operations	<b>28,158</b>	73,229
Exchange realignment arising on translation of associates	<b>5,349</b>	5,832
Other comprehensive income for the period	<b>28,744</b>	77,712
Total comprehensive income for the period	<b>91,556</b>	124,996
Total comprehensive income for the period attributable to:		
Owners of the Company	<b>86,499</b>	111,291
Non-controlling interests	<b>5,057</b>	13,705
	<b>91,556</b>	124,996

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2017	31 December 2016
	<i>Notes</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)
<b>Non-current assets</b>			
Investment properties		3,859,235	3,723,972
Property, plant and equipment		328,018	322,611
Interests in associates		278,246	267,185
Available-for-sale investments		<u>148,287</u>	<u>158,853</u>
		<u>4,613,786</u>	<u>4,472,621</u>
<b>Current assets</b>			
Inventories		55,596	51,961
Trade and other receivables, deposits and prepayments	9	156,774	145,413
Amounts due from associates		2,667	3,312
Tax recoverable		2,146	2,076
Investments held-for-trading		15,766	13,084
Pledged deposits		333,198	331,948
Bank balances and cash		<u>587,737</u>	<u>644,891</u>
		<u>1,153,884</u>	<u>1,192,685</u>
<b>Current liabilities</b>			
Trade payables, other payables and accruals	10	148,910	141,253
Dividend payable		8,339	-
Obligations under finance leases		4,135	3,876
Tax payable		16,143	16,088
Bank loans		1,053,117	1,084,362
Bonds		-	17,396
Rental deposits		<u>7,815</u>	<u>18,000</u>
		<u>1,238,459</u>	<u>1,280,975</u>
<b>Net current liabilities</b>		<u>(84,575)</u>	<u>(88,290)</u>
<b>Total assets less current liabilities</b>		<u>4,529,211</u>	<u>4,384,331</u>
<b>Non-current liabilities</b>			
Bank loans		981,779	957,254
Bonds		269,373	256,209
Obligations under finance leases		31,360	31,816
Deferred tax liabilities		85,802	77,843
Rental deposits		<u>123,408</u>	<u>110,423</u>
		<u>1,491,722</u>	<u>1,433,545</u>
<b>Net assets</b>		<u>3,037,489</u>	<u>2,950,786</u>
<b>Capital and reserves</b>			
Share capital	11	27,797	27,757
Share premium		73,400	72,533
Reserves		32,265	4,952
Retained profits		<u>2,773,620</u>	<u>2,722,737</u>
Equity attributable to owners of the Company		<u>2,907,082</u>	<u>2,827,979</u>
Non-controlling interests		<u>130,407</u>	<u>122,807</u>
<b>Total equity</b>		<u>3,037,489</u>	<u>2,950,786</u>

*Notes:*

**1. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”).

The Group reported net current liabilities of HK\$84,575,000 and have commitments for renovation of properties of HK\$20,648,000 as at 30 June 2017 (31 December 2016: net current liabilities of HK\$88,290,000, and no commitment). The net current liabilities arose mainly from the long-term bank borrowings (with maturity dates over one year) amounting to HK\$151,530,000 (31 December 2016: HK\$150,886,000) being reclassified as current liabilities as at 30 June 2017 due to the overriding right of demand clause as stipulated in the facility agreement of the bank borrowings.

The directors of the Company believe that these loan facilities will continue to be made available to the Group and will not be withdrawn by the banks within the next twelve months from the end of the reporting period. In the opinion of the directors of the Company, the Group has a number of sources of funds available to enable its obligation and commitments to be settled on a timely manner. In addition, the Group will be able to refinance its existing bank facilities or obtain additional financing from financial institutions by taking into account the current value of the Group’s assets which have not been pledged. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

**2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair value.

The accounting policies used in these condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2016.

In the current period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of Group’s condensed consolidated financial statements.

Amendments to HKFRSs	Annual Improvements of HKFRSs 2014-2016 Cycle
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The application of the amendments to the HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current period and prior years and/or on the disclosures set out in the condensed consolidated financial statements.

Additional disclosures about changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes on application of amendments to HKAS 7 will be provided in the consolidated financial statements for the year ending 31 December 2017.

### 3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Distribution of mobile and IT products <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Six months ended 30 June 2017 (unaudited)</b>				
<i>Segment revenue</i>				
External sales	<u>332,286</u>	<u>122,103</u>	<u>-</u>	<u>454,389</u>
<i>Segment (loss) profit</i>	<u>(5,532)</u>	<u>88,978</u>	<u>(4,710)</u>	78,736
Share of results of associates				16,757
Finance costs				(16,692)
Other unallocated income				10,881
Unallocated corporate expenses				<u>(20,597)</u>
Profit before tax				<u>69,085</u>
	Distribution of mobile and IT products <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Six months ended 30 June 2016 (unaudited)</b>				
<i>Segment revenue</i>				
External sales	<u>484,836</u>	<u>98,715</u>	<u>-</u>	<u>583,551</u>
<i>Segment (loss) profit</i>	<u>(10,207)</u>	<u>112,534</u>	<u>4,322</u>	106,649
Share of results of associates				11,835
Finance costs				(12,797)
Change in fair value of derivative financial instruments				(41,633)
Other unallocated income				16,449
Unallocated corporate expenses				<u>(24,038)</u>
Profit before tax				<u>56,465</u>

Segment (loss) profit reported to the chief operating decision maker for the purposes of resource allocation and performance assessment does not include central administration costs, corporate expenses, share of results of associates and finance costs.

#### 4. OTHER GAINS AND LOSSES

	Six months ended	
	30 June 2017 HK\$'000 (unaudited)	30 June 2016 HK\$'000 (unaudited)
Other gains and losses comprises:		
Change in fair value of derivative financial instruments	-	(41,633)
Exchange gain, net	10,001	15,106
Change in fair value of investments held-for-trading	2,222	1,302
Gain on disposal of available-for-sale investments	-	2,614
Impairment losses recognized on available-for-sale investments	(7,318)	-
Loss on disposal of property, plant and equipment	(23)	(11)
Others	(96)	23
	<u>4,786</u>	<u>(22,599)</u>

#### 5. INCOME TAX EXPENSE

	Six months ended	
	30 June 2017 HK\$'000 (unaudited)	30 June 2016 HK\$'000 (unaudited)
The charge comprises:		
Hong Kong Profits Tax		
Current period	<u>363</u>	-
Overseas Tax		
Current period	283	132
Overprovision in respect of prior periods	(905)	-
Withholding tax on dividend paid	<u>2,718</u>	<u>1,954</u>
	<u>2,096</u>	<u>2,086</u>
Deferred tax	<u>3,814</u>	<u>7,095</u>
Income tax expense for the period	<u>6,273</u>	<u>9,181</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

Corporate Tax in Japan is calculated at 25.5% on the estimated assessable profit for both periods. Pursuant to relevant laws and regulation in Japan, withholding tax is imposed at 20.42% and 5% on dividends paid to local investors and foreign investors respectively in respect of profit earned by Japanese subsidiaries.

## 6. PROFIT FOR THE PERIOD

	Six months ended	
	30 June 2017 HK\$'000 (unaudited)	30 June 2016 HK\$'000 (unaudited)
Profit for the period has been arrived at after charging and (crediting):		
(Reversal of allowance) allowance for doubtful debts	(134)	378
(Reversal of allowance) allowance for inventories, net	(2,368)	6,847
Cost of inventories recognised in cost of sales	310,326	488,990
Depreciation of property, plant and equipment	3,976	3,169
Share of tax expense of associates	4,261	1,435
Interest income on bank deposits	(1,446)	(835)

## 7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the Group's profit attributable to owners of the Company of HK\$59,222,000 (six months ended 30 June 2016: HK\$34,901,000) and the weighted average number of ordinary shares calculated below.

	Six months ended	
	30 June 2017 '000 shares (unaudited)	30 June 2016 '000 shares (unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	277,779	277,468
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	102	138
Weighted average number of ordinary shares for the purpose of diluted earnings per share	277,881	277,606

The computation of diluted earnings per share for the six months ended 30 June 2017 did not assume the exercise of certain share options of the Company and share options of SiS Mobile Holdings Limited ("SiS Mobile") as the exercise prices of those options are higher than the average market prices of the Company and SiS Mobile for the periods.

## 8. DIVIDENDS

	Six months ended	
	30 June 2017 HK\$'000 (unaudited)	30 June 2016 HK\$'000 (unaudited)
Final dividend, payable in respect of the year ended 31 December 2016 of 3.0 HK cents per share (2016: 3.0 HK cents per share in respect of the year ended 31 December 2015)	8,339	8,327

The directors do not recommend the payment of interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

## 9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in trade and other receivables, deposits and prepayments are trade receivables of HK\$68,210,000 (31 December 2016: HK\$87,537,000). The following is an analysis of trade receivables by age, net of allowance for doubtful debts, presented based on the invoice date.

	<b>30 June 2017 HK\$'000 (unaudited)</b>	31 December 2016 HK\$'000 (audited)
Within 30 days	40,307	44,548
31 to 90 days	22,440	28,553
91 to 120 days	707	3,830
Over 120 days	<u>4,756</u>	<u>10,606</u>
	<b><u>68,210</u></b>	<b><u>87,537</u></b>

The Group maintains a defined credit policy. For sales of goods, the Group allows credit period of 30 to 90 days to its trade customers. No credit period is granted to customers for renting of properties. Rent is payable on presentation of a demand note. No interest is charged on overdue debts.

## 10. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals are trade payables of HK\$53,473,000 (31 December 2016: HK\$47,432,000). The following is an analysis of trade payables by age, presented based on the invoice date.

	<b>30 June 2017 HK\$'000 (unaudited)</b>	31 December 2016 HK\$'000 (audited)
Within 30 days	41,852	31,280
31 to 90 days	4,123	8,534
91 to 120 days	268	470
Over 120 days	<u>7,230</u>	<u>7,148</u>
	<b><u>53,473</u></b>	<b><u>47,432</u></b>

The average credit period on purchase of goods is 30 to 60 days.



## 11. SHARE CAPITAL

	No. of ordinary shares of HK\$0.10 each	Nominal value <i>HK\$'000</i>
Authorised	<u>350,000,000</u>	<u>35,000</u>
Issued and fully paid		
At 1 January 2016 (audited)	277,466,666	27,747
Exercise of share options	<u>100,000</u>	<u>10</u>
At 31 December 2016 (audited)	277,566,666	27,757
Exercise of share options	<u>400,000</u>	<u>40</u>
At 30 June 2017 (unaudited)	<u>277,966,666</u>	<u>27,797</u>

## 12. COMMITMENTS

During the period, the Group entered into renovation agreements with independent third parties for renovation of hospitality properties in Japan, leased office and warehouse in Hong Kong for the amounts contracted but not provided for of HK\$20,648,000 (31 December 2016: Nil).

## 13. CONTINGENT LIABILITIES

During the period, an originating notice of application (the “Originating Notice”) filed with the Competition Tribunal of the Hong Kong Special Administrative Region (the “Competition Tribunal”) was served on SiS International Limited, a wholly-owned subsidiary of the Group (“SiS International”), by the legal adviser of the applicant, the Competition Commission (the “Applicant”). According to the Originating Notice, the Applicant alleged that, among other things, SiS International, along with other respondents under the Originating Notice (the “Respondents”), has contravened section 6(1) of the Competition Ordinance (Cap. 619, the laws of Hong Kong) (the “First Conduct Rule”) and the Applicant seeks orders from the Competition Tribunal, amongst other reliefs, for pecuniary penalty to be imposed on the Respondents and declaration that each Respondent has contravened the First Conduct Rule.

The Group is seeking legal advice on the Originating Notice and the appropriate course of action in respect of the abovementioned application. It is currently at fact finding and information gathering stage, the outcome of the application cannot be readily ascertained. The Directors are of the opinion that the financial effects, if any, would not likely to be significant to the Group.

## INTERIM DIVIDEND

The Directors do not recommend the payment of interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

## **BUSINESS REVIEW**

The net profit for the Group increased 33% to HK\$63 million while revenue decreased to HK\$454 million for the interim period 2017 as compared to same period of 2016.

Total assets of the Group increased to HK\$5,768 million. Net assets value per share increased from HK\$10.63 to HK\$10.93.

### **Real Estate Investments Business**

We have a sizeable portfolio of income generating properties with long term potential for the capital appreciation and this has contributed positively to the net results of the Group. With the acquisition of several hospitality properties at the end of year 2016, the total revenue from Group's real estate investment portfolio for the interim 2017 period increased 24% to HK\$122 million and generated a segment profit (excluding gains from change in fair value) of HK\$65 million as compared to HK\$52 million the same period of last year. The total asset appreciation of the Group's real estate investment resulted in the increase of the Group's carrying value from HK\$3,724 million to HK\$3,859 million.

### **Distribution Business**

While the sales revenue from distribution of enterprise product, storage, networking and infrastructure products has increased, sales revenue for mobile & mobility products decreased. Distribution sales revenues decreased from HK\$485 million to HK\$332 million for the interim period 2017. Segment loss from the business was reduced from HK\$10 million to HK\$6 million from the same period of last year.

The Group will continue to identify and seek new growth products for distribution in order to further strengthen its products portfolio.

### **Investment in IT, Securities and Other Businesses**

Our associate company, SiS Distribution (Thailand) Public Company Limited performed well during the interim period 2017 and contributed HK\$15 million to the Group. It is one of the leading distributors of IT products in Thailand. We envisaged that the country's economic climate should improve further.

In Bangladesh, our associate company, Information Technology Consultants Limited ("ITCL"), continues to gain growth and contributed to the Group during the period. ITCL is a leading consultant and provider of financial services, payment gateway, ATM, mobile payments & banking solutions in the rapidly evolving area of electronic payments, mobile payment, e-commerce, m-commerce and internet banking.

The Group's Investment Businesses include investment in securities of listed corporations, as well as securities in unlisted companies for mid to long-term period. During the interim period 2017, the Group made an impairment loss of HK\$7 million on a fund investment which is investing in several IT related business. Nevertheless, we will continue to hold on those promising securities investments to reap its full potential in the future.

## **PROSPECT**

The outlook for the year remains challenging in the face of global uncertainties. Demand for IT and mobility products continue to soften as consumers move towards lower priced products. However, the fast technological advancements and innovations and the adoption of disruptive technology offers significant opportunities for growth. With our strong cash position, the Group is well positioned to seize opportunities when they arise.

The directors are cautiously moving ahead with confidence. The Group will continue to expand our product range; focusing on high margin products; improve and enhance operational and increase overall returns to our shareholders.

The Group will also continue to identify and seek for investments opportunities in high growth industries and continue to invest in investment properties that provide good yield to the shareholders earnings in the coming years.

## **FINANCIAL REVIEW AND ANALYSIS**

### **Liquidity and Financial Resources**

As at 30 June 2017, the Group had total assets of HK\$5,767,670,000 which were financed by total equity of HK\$3,037,489,000 and total liabilities of HK\$2,730,181,000. The Group had current ratio of approximately 0.93 which is the same as at 31 December 2016.

As at 30 June 2017 the Group had HK\$920,935,000 (31 December 2016: HK\$976,839,000) bank deposits balances and cash of which HK\$333,198,000 (31 December 2016: HK\$331,948,000) were pledged to banks to secure bank borrowings. The Group's working capital requirements were mainly financed by internal resources, bank loans and bonds. As at 30 June 2017, the Group had short term loans and bonds of total HK\$1,053,117,000 (31 December 2016: HK\$1,101,758,000) and long term loans and bonds of HK\$1,251,152,000 (31 December 2016: HK\$1,213,463,000). The borrowings were mainly denominated in Japanese Yen and Hong Kong Dollars and were charged by banks at floating interest rate.

At the end of June 2017, the Group had net cash deficit (total bank borrowings and bonds less bank balances and cash and pledged deposits) of HK\$1,383,334,000 (31 December 2016: HK\$1,338,382,000).

Gearing ratio, as defined by total bank borrowings and bonds to total equity as at 30 June 2017 was 76% (31 December 2016: 78%).

### **Charges on Group Assets**

As at 30 June 2017, the Group had pledged deposits of HK\$333,198,000 (31 December 2016: HK\$331,948,000) and investment properties with carrying values of HK\$3,680,840,000 (31 December 2016: HK\$3,539,810,000) and property, plant and equipment with carrying value of HK\$184,315,000 (31 December 2016: HK\$177,527,000) were pledged to banks to secure general banking facilities granted to the Group and for purchase of investment properties and working capital. Certain shares of subsidiaries have been pledged to the banks as at 30 June 2017 and 31 December 2016 to secure several banking facilities available to the Group.

## **Number and Remuneration of Employees, Remuneration Policies, Bonus and Share Option Schemes**

The number of staff of the Group as at 30 June 2017 was 95 (30 June 2016: 95) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments, amounted to HK\$21,899,000 (30 June 2016: HK\$22,006,000). In addition to the contributory provident fund and medical insurance, the Company adopts share option scheme and may grant shares to eligible employees of the Group. The Directors believe that the Company's share option schemes could create more incentives and benefits for the employees and therefore increase employees' productivity and contribution to the Group. During the six months period ended 30 June 2017, share options of 400,000 have been exercised and the weighted average closing share price immediate before the date of exercise of the share options was HK\$4.00. The Group's remuneration policy is to relate performance with compensation. The Group's salary and discretionary bonus system is reviewed annually. There are no significant changes in staff remuneration policies from last year.

## **Currency Risk Management**

Certain purchase of goods of the Group are dominated in United States Dollar. Certain bank balances are dominated in United States Dollar, Australian Dollar, Singapore Dollar, Japanese Yen and Renminbi, while certain bank borrowings are dominated in Japanese Yen. These currencies are other functional currencies of the relevant group entities. The Group currently does not have comprehensive currency hedging policy. However, the management monitors the currency fluctuation exposure and will consider hedging significant currency risk exposure should the need arise.

## **Capital Expenditure**

During the period, the Group spent approximately HK\$181,000 (six months ended 30 June 2016: HK\$1,794,000) and HK\$18,184,000 (six months ended 30 June 2016: HK\$464,978,000) on addition of property, plant and equipment and investment properties respectively.

During the period, the Group entered into renovation agreements with independent third parties for the amount contracted but not provided for of HK\$20,648,000. During the six month ended 30 June 2016, the Group had entered into two sales and purchase agreements with two independent third parties to acquire two investment properties in Japan at a total consideration of JPY2,165,714,000 (equivalent to HK\$163,945,000). The initial deposits of JPY25,000,000 (equivalent to HK\$1,893,000) had been paid on signing the agreement, while the remaining balances of JPY2,140,714,000 (equivalent to HK\$162,052,000) were paid upon completion of the acquisition after 30 June 2016.

## **Contingent Liabilities**

At 30 June 2017, the Company has HK\$244,000,000 corporate guarantees extended to certain banks as security for banking facilities to the Group (31 December 2016: HK\$229,000,000).

## **CORPORATE GOVERNANCE**

The Company has complied with the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on HKEX (the "Listing Rules") throughout the period ended 30 June 2017, except for the Code A.2.1, A.4.1 and A.4.2 as disclosed in pages 10 and 11 of the Group's 2016 annual report under the Corporate Governance section.

## **MODEL CODE**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the “Model Code”). Having made specific enquiry of all Directors, all Directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct adopted by the Company.

## **AUDIT COMMITTEE**

The Audit Committee comprises all independent non-executive Directors. The Audit Committee has reviewed the Company’s condensed consolidated financial statements for the six months ended 30 June 2017, including the accounting principles and practices adopted by the Company, in conjunction with the Company’s auditors.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months period ended 30 June 2017.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is published on the Company’s website at [www.sisinternational.com.hk](http://www.sisinternational.com.hk) and the website of the HKEX at [www.hkexnews.hk](http://www.hkexnews.hk). The 2017 interim report of the Company will be dispatched to shareholders of the Company and published on the above-mentioned websites on or before 30 September 2017.

## **APPRECIATION**

We would like to thank our committed staff for their hard work and contributions, as well as our customers, business partners, shareholders and directors for their support. Our success would not have been possible without their dedication, contributions, efforts, time and confidence.

On behalf of the Board of  
**SiS International Holdings Limited**  
**LIM Kia Hong**  
*Chairman and Chief Executive Officer*

Hong Kong, 22 August 2017

*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.*