



SiS Mobile Holdings Limited

新龍移動集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1362

INTERIM REPORT

2022

*For identification purpose only

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Corporate Information

DIRECTORS

Non-executive Directors:

Lim Kia Hong (*Chairman*)
Lim Hwee Hai

Executive Directors:

Lim Kiah Meng
Fong Po Kiu
Wong Yi Ting

Independent Non-executive Directors:

Chu Chung Yi
Ng See Wai Rowena
Doe Julianne Pearl

AUDIT COMMITTEE

Chu Chung Yi (*Chairlady*)
Ng See Wai Rowena
Doe Julianne Pearl

REMUNERATION COMMITTEE

Ng See Wai Rowena (*Chairlady*)
Lim Kia Hong
Lim Kiah Meng
Chu Chung Yi
Doe Julianne Pearl

NOMINATION COMMITTEE

Lim Kia Hong (*Chairman*)
Lim Kiah Meng
Chu Chung Yi
Ng See Wai Rowena
Doe Julianne Pearl

COMPANY SECRETARY

Wong Yi Ting

AUDITORS

Deloitte Touche Tohmatsu
(*Registered Public Interest Entity Auditors*)

STOCK CODE

1362

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
United Overseas Bank Limited

REGISTERED OFFICE

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

3118 No.1 Hung To Road, Kwun Tong
Kowloon, Hong Kong
Telephone: (852) 2138 3938
Fax: (852) 2138 3928

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Ltd.
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F Far East Finance Centre
16 Harcourt Road
Hong Kong

INVESTOR RELATIONS

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Message from the Chairman

Dear Shareholders,

In the face of a challenging market environment, an unstable supply chain and weaker consumers demand in mobile phones, I am pleased to share the financial results of the Group for the six months ended 30 June 2022.

BUSINESS REVIEW

Net profit attributable to shareholders for the six months period grew 23% from HK\$7,234,000 to HK\$8,927,000 whilst revenue declined 25% to HK\$707,738,000 when compared to the same period last year. Despite a challenging business environment and economy, the Group continued to post positive results.

Earnings per share was improved from HK cents 2.58 to HK cents 3.19, while net assets value of the Group increased to HK\$145,340,000.

Hong Kong was hit by the resurgence of the COVID-19 infections, followed by the strict border restrictions which curtailed many social and economic activities. Amid this backdrop, the Group will respond to the challenges; adapting and take timely actions by adjusting our business model. At the same time, the Group will seek new opportunities and avenues to create value for all stakeholders.

PROSPECT

Amidst unfavourable external environment; the turbulent global economy and rising inflation; supply chain challenges and geopolitical tensions, the Group is cautiously moving ahead.

The ongoing COVID-19 pandemic, along with the war have caused severe supply chain disruptions over the past year. Even though we cannot change the war or the world, we can aim to stay prepared as we believe that this situation will eventually pass. With our strong financial position, our great standing and our team of outstanding staff, we will manage and mitigate; utilize this period to build and better position ourselves when opportunities present.

We will continue with our relentless efforts to seek and introduce innovative products, renowned brands to expand our Channel to continue and improved our performance.

Message from the Chairman

APPRECIATION

On behalf of the Board, I want to thank and say how grateful I am to the commitments and the dedication of our staff, customers, vendors, business partners, banks, shareholders and those who are rallying behind us. It is to their credit and that of the senior management team that we have been able to conduct our business effectively in light of this challenging environment.

LIM Kia Hong

Chairman

Hong Kong, 25 August 2022

The directors (the “Directors”) of SiS Mobile Holdings Limited (the “Company”) are pleased to announce that the condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022 together with comparative figures for the corresponding period in 2021. The interim report has been reviewed by the Company’s audit committee.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2022

| | | Six months ended | |
|-----------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------|------------------------------------------------|
| | <i>Notes</i> | 30 June 2022 <i>HK\$'000</i> (unaudited) | 30 June 2021 <i>HK\$'000</i> (unaudited) |
| Revenue | 4 | 707,738 | 940,694 |
| Cost of sales | | (680,875) | (916,116) |
| Gross profit | | 26,863 | 24,578 |
| Other income | | 513 | 213 |
| Other gains and losses, net | | (428) | 82 |
| Selling and distribution expenses | | (5,913) | (6,131) |
| Administrative expenses | | (11,237) | (9,594) |
| Finance cost | | (47) | (62) |
| Profit before tax | 5 | 9,751 | 9,086 |
| Income tax expense | 6 | (824) | (1,852) |
| Profit for the period | | 8,927 | 7,234 |
| Other comprehensive income | | | |
| <i>Item that will not be classified to profit or loss</i> | | | |
| Fair value (loss) gain on equity instruments at fair value through other comprehensive income | | (962) | 980 |
| Total comprehensive income for the period attributable to the owners of the Company | | 7,965 | 8,214 |
| | | HK cents | <i>HK cents</i> |
| Earnings per share | 7 | | |
| — Basic | | 3.19 | 2.58 |
| — Diluted | | 3.19 | 2.58 |

Condensed Consolidated Statement of Financial Position

AT 30 JUNE 2022

| | Notes | 30 June 2022 HK\$'000 (unaudited) | 31 December 2021 HK\$'000 (audited) |
|--------------------------------------------------------------------------|-------|--------------------------------------------|----------------------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 1,876 | 2,207 |
| Right-of-use assets | | 3,045 | 4,263 |
| Equity instruments at fair value through other comprehensive income | 10 | 11,823 | 12,785 |
| Rental Deposit | | 418 | 418 |
| | | 17,162 | 19,673 |
| Current assets | | | |
| Inventories | | 29,078 | 54,680 |
| Trade and other receivables, deposits and prepayments | 11 | 93,574 | 64,777 |
| Bank balances and cash | | 64,642 | 56,035 |
| | | 187,294 | 175,492 |
| Current liabilities | | | |
| Trade payables, other payables and accruals | 12 | 38,162 | 46,350 |
| Contract liabilities | | 5 | 99 |
| Lease liabilities | | 2,468 | 2,444 |
| Tax payable | | 7,843 | 7,019 |
| Bank borrowing | 13 | 10,000 | – |
| | | 58,478 | 55,912 |
| Net current assets | | 128,816 | 119,580 |
| Total assets less current liabilities | | 145,978 | 139,253 |
| Non-current liabilities | | | |
| Lease liabilities | | 638 | 1,878 |
| Net assets | | 145,340 | 137,375 |
| Capital and reserves | | | |
| Share capital | 14 | 28,000 | 28,000 |
| Reserves | | 117,340 | 109,375 |
| Equity attributable to owners of the Company and total equity | | 145,340 | 137,375 |

Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2022

| | Attributable to the owners of the Company | | | | | | Total HK\$'000 |
|----------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------|------------------------------------------|-----------------------------------------|------------------------------------|---------------------------------|-------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Special reserve HK\$'000 (Note) | Share options reserve HK\$'000 | Investments reserve HK\$'000 | Retained profits HK\$'000 | |
| At 1 January 2021 (audited) | 28,000 | 2,522 | 3,497 | 7,135 | (3,711) | 67,223 | 104,666 |
| Profit for the period | - | - | - | - | - | 7,234 | 7,234 |
| Fair value gain on equity instruments at fair value through other comprehensive income | - | - | - | - | 980 | - | 980 |
| Profit and total comprehensive income | - | - | - | - | 980 | 7,234 | 8,214 |
| At 30 June 2021 (unaudited) | 28,000 | 2,522 | 3,497 | 7,135 | (2,731) | 74,457 | 112,880 |
| At 1 January 2022 (audited) | 28,000 | 2,522 | 3,497 | 7,135 | (4,288) | 100,509 | 137,375 |
| Profit for the period | - | - | - | - | - | 8,927 | 8,927 |
| Fair value loss on equity instruments at fair value through other comprehensive income | - | - | - | - | (962) | - | (962) |
| (Loss) profit and total comprehensive (expense) income | - | - | - | - | (962) | 8,927 | 7,965 |
| At 30 June 2022 (unaudited) | 28,000 | 2,522 | 3,497 | 7,135 | (5,250) | 109,436 | 145,340 |

Note: The special reserve represents (i) the contribution from SiS International Holdings Limited ("SiS International") in relation to the acquisition of Synergy Technologies (Asia) Limited in prior year and (ii) the difference between the nominal value of the shares of the Company issued pursuant to the group reorganisation and the aggregate share capital of the companies comprising the Group as at the date of the group reorganisation.

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2022

| | Six months ended | |
|--------------------------------------------------------------------------------|------------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Net cash (used in) from operating activities | (81) | 13,865 |
| Net cash used in investing activities | (58) | (37) |
| Net cash from (used in) financing activities | 8,746 | (1,253) |
| Net increase in cash and cash equivalents | 8,607 | 12,575 |
| Cash and cash equivalents at 1 January | 56,035 | 57,489 |
| Cash and cash equivalents at 30 June, represented by bank balances and cash | 64,642 | 70,064 |

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2022

3. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Group is principally engaged in the sales and distribution of mobile phones and related products in Hong Kong. The executive directors of the Company, being the chief operating decision maker (“CODM”) for the purposes of resource allocation and performance assessment focuses mainly on revenue analysis by brand. As no other discrete financial information other than the consolidated revenue and consolidated profit of the Group are provided to CODM, no segment information is presented other than entity-wide disclosures.

4. REVENUE

Revenue represents the net amount received and receivable for goods sold arising from the distribution and retail sales of mobile phones and related products.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2022

5. PROFIT BEFORE TAX

| | Six months ended | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------|
| | 30 June | 30 June |
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Profit before tax has been arrived at after charging and (crediting): | | |
| Cost of inventories recognised as an expense (including reversal of allowance on slow moving inventories HK\$3,622,000 (2021 interim: HK\$194,000)) | 680,875 | 916,116 |
| Reversal of impairment losses under expected credit loss model | (47) | (19) |
| Depreciation of property, plant and equipment | 389 | 448 |
| Depreciation of right-of-use assets | 1,218 | 1,219 |
| Dividend income | (160) | (169) |
| Exchange loss (gain), net | 475 | (64) |
| Government subsidy income from Employment Support Scheme provided by the Hong Kong Government | (352) | – |
| Interest expense on bank borrowing | 9 | – |
| Interest expense on lease liabilities | 38 | 62 |

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2022

6. INCOME TAX EXPENSE

| | Six months ended | |
|-----------------------|-------------------------|-------------|
| | 30 June | 30 June |
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Hong Kong Profits Tax | | |
| Current period | 824 | 1,852 |

The Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above the HK\$2 million for the qualified entity. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the Group's profit of HK\$8,927,000 (six months ended 30 June 2021: HK\$7,234,000) and the number of ordinary shares calculated below.

| | Six months ended | |
|--------------------------------------------------------------------------------------|-------------------------|-------------|
| | 30 June | 30 June |
| | 2022 | 2021 |
| | '000 shares | '000 shares |
| | (unaudited) | (unaudited) |
| Number of ordinary shares for the purpose of basic and diluted earnings per share | 280,000 | 280,000 |

The computation of diluted earnings per share for the six months ended 30 June 2022 and 2021 did not assume the exercise of share options of the Company as the exercise prices of those options were higher than the average market prices of the Company for the periods.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2022

8. DIVIDENDS

There is no dividend distributed during the six months ended 30 June 2022 and 2021.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$58,000 (six months ended 30 June 2021: HK\$37,000) on the addition of property, plant and equipment.

10. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 30 June 2022 HK\$'000 (unaudited) | 31 December 2021 HK\$'000 (audited) |
|---------------------------------------|------------------------------------------------------|----------------------------------------------|
| Listed investments at fair value: | | |
| Equity securities listed overseas | 3,012 | 4,221 |
| Equity securities listed in Hong Kong | 8,811 | 8,564 |
| Total | 11,823 | 12,785 |

The fair values are determined based on the quoted market bid prices available on the relevant exchange.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2022

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in trade and other receivables, deposits and prepayments are trade receivables of HK\$28,827,000 (31 December 2021: HK\$40,259,000). The following is an aged analysis of trade receivables presented based on the invoice date at end of each reporting period.

| | 30 June 2022 HK\$'000 (unaudited) | 31 December 2021 HK\$'000 (audited) |
|-------------------------|------------------------------------------------------------------------|----------------------------------------------|
| Within 30 days | 24,093 | 33,677 |
| 31 to 60 days | 4,379 | 6,081 |
| 61 to 90 days | 316 | 498 |
| 91 to 120 days | 37 | – |
| Over 120 days | 2 | 3 |
| Total trade receivables | 28,827 | 40,259 |

The Group maintains a defined credit policy. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customers. Limits granted to customers are reviewed periodically. For sales of goods, the Group allows an average credit period of 30 days to its trade customers. No interest is charged on overdue debts.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2022

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals are trade payables of HK\$22,572,000 (31 December 2021: HK\$23,722,000). The average credit period on purchase of goods is 30 days. The following is an aged analysis of the trade payables presented based on the invoice date at end of each reporting period.

| | 30 June 2022 HK\$'000 (unaudited) | 31 December 2021 HK\$'000 (audited) |
|---------------------|------------------------------------------------------|----------------------------------------------|
| Within 30 days | 16,577 | 17,669 |
| 31 to 90 days | 45 | 104 |
| 91 to 120 days | 1 | 2 |
| Over 120 days | 5,949 | 5,947 |
| Total trade payable | 22,572 | 23,722 |

13. BANK BORROWING

During the current interim period, the Group obtained a short-term bank borrowing amounting to HK\$10,000,000 which was unsecured and bore at floating interest rate.

14. SHARE CAPITAL

| | Number of ordinary shares of HK\$0.10 each | Nominal value HK\$'000 |
|-----------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------|
| Authorised | 500,000,000 | 50,000 |
| Issued and fully paid | | |
| At 1 January 2021, 30 June 2021, 31 December 2021 and 30 June 2022 | 280,000,000 | 28,000 |

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2022

15. SHARE-BASED PAYMENTS

Pursuant to the SiS Mobile Share Option Scheme adopted by the Company on 16 December 2014, the Company may grant options to qualified persons, including employees and directors of the Company, its subsidiaries and associates, and third parties with a view to maintain business relationship with such persons to subscribe for shares of the Company.

Share options were granted by the Company on 25 June 2015. No options were granted, exercised, lapsed or forfeited during the period ended 30 June 2022.

| Grantee | Outstanding number of share options |
|-----------------------------------------------------------------------|----------------------------------------------------|
| At 31 December 2021 (audited) and 30 June 2022 (unaudited) | |
| Directors | 6,390,000 |
| Employees and others | 1,200,000 |
| | 7,590,000 |

16. RELATED PARTY TRANSACTIONS

During the six month ended 30 June 2022, the group paid rent of HK\$1,442,000 (six months ended 30 June 2021: HK\$1,415,000) in respect of office and warehouse space from a fellow subsidiary. The group recorded a right-of-use asset of HK\$3,045,000 (31 December 2021: HK\$4,263,000) and a lease liability of \$3,106,000 as at 30 June 2022 (31 December 2021: HK\$4,322,000).

The remuneration paid or payable to the Directors who are considered to be the key management personnel for the six months ended 30 June 2022 was HK\$3,077,000 (six months ended 30 June 2021: HK\$2,348,000).

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

Financial Review and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2022, the Group had total assets of HK\$204,456,000 which were financed by total equity of HK\$145,340,000 and total liabilities of HK\$59,116,000. The Group had current ratio of approximately 3.2 compared to that of approximately 3.1 at 31 December 2021.

As at 30 June 2022, the Group had HK\$64,642,000 (31 December 2021: HK\$56,035,000) bank balances and cash. The Group's working capital requirements were mainly financed by internal resources and bank borrowings.

The Group maintained a healthy liquidity position. As at 30 June 2022, the Group had a net cash surplus of HK\$54,642,000 (31 December 2021: HK\$56,035,000). There was HK\$10,000,000 short-term bank borrowing as at 30 June 2022 (31 December 2021: Nil) and was charged by bank at floating interest rate, gearing ratio 6.9% to total equity.

CHARGES ON GROUP ASSETS

There was no pledged asset as at 30 June 2022 (31 December 2021: Nil).

NUMBER AND REMUNERATION OF EMPLOYEES, REMUNERATION POLICIES, BONUS AND SHARE OPTION SCHEMES

The number of staff of the Group as at 30 June 2022 was 46 (30 June 2021: 43) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments, amounted to HK\$8,822,000 (30 June 2021: HK\$8,440,000). In addition to the mandatory 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 for directors and employees to work with commitment towards enhancing the value of the Company and its shareholders and therefore the Company can retain high caliber executives and employees. No share options have been exercised, granted, lapsed or forfeited during current period. 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.

Financial Review and Analysis

SIGNIFICANT INVESTMENTS

The listed securities held by the Group are held for long term investment purpose and suffered an 8% decline in value during the six months ended 30 June 2022, as a result of market volatility in USA stock market. The fair value loss HK\$962,000 was accounted for in other comprehensive expense. During the interim period 2022, there was no addition or disposal to the portfolio except for the Group received dividend income of HK\$160,000 (six months ended 30 June 2021: HK\$169,000).

List of investment as at 30 June 2022:

| Stock code | Stock name | No. of shares | Fair Value (HK\$'000) | % to total assets | Fair value gain/(loss) credited/ (charged) to inv. reserve during 2022 (HK\$'000) |
|------------|-------------------------------|---------------|-----------------------|-------------------|-----------------------------------------------------------------------------------|
| MNDT:US | Mandiant Corp. | 10,000 | 1,702 | 0.8% | 334 |
| NTNX.US | Nutanix Inc. | 11,480 | 1,310 | 0.6% | (1,543) |
| 1299.HK | AIA Group Limited | 25,000 | 2,126 | 1.0% | 161 |
| 939.HK | China Construction Bank, Inc. | 300,000 | 1,581 | 0.8% | (39) |
| 11.HK | Hang Seng Bank Limited | 15,000 | 2,078 | 1.0% | (63) |
| 6823.HK | HKT Limited | 100,000 | 1,054 | 0.5% | 6 |
| 5.HK | HSBC Holdings plc | 38,178 | 1,972 | 1.0% | 182 |
| | | | 11,823 | 5.7% | (962) |

Financial Review and Analysis

CURRENCY RISK MANAGEMENT

Certain purchase of goods, other receivables and bank balances of the Group are denominated in United States Dollar (US\$), the currency other than the functional currencies of the relevant group entities. As Hong Kong Dollars are pegged to US\$, the management of the Group does not expect that there would be any material currency risk exposure between these two currencies. The Group currently does not have currency hedging policy. However, the management monitors the currency fluctuation exposure and will consider hedging significant currency risk exposure should the need arise.

The Group did not have any derivatives financial instrument outstanding as at 30 June 2022 (31 December 2021: Nil).

CONTINGENT LIABILITIES

At 30 June 2022, the Group did not have any material contingent liabilities or guarantees (31 December 2021: Nil).

Other Information

DIRECTORS' INTERESTS IN SHARES

At 30 June 2022, the interests of the Directors and their associates, in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”), or as otherwise notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, 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 <i>(Note 1)</i> | Corporate interests <i>(Notes 2 and 3)</i> | Total number of issued ordinary shares held | Percentage of the issued share capital of the Company |
|------------------|--------------------|------------------|------------------------------------|-----------------------------------------------|---------------------------------------------|-------------------------------------------------------|
| Lim Kia Hong | 1,846,754 | 128,000 | – | 203,607,467 | 205,582,221 | 73.42% |
| Lim Kiah Meng | 1,729,024 | 80,000 | 170,880 | 203,607,467 | 205,587,371 | 73.42% |
| Lim Hwee Hai | 1,065,984 | 1,145,330 | – | – | 2,211,314 | 0.79% |

Notes:

- (1) Shares are jointly held by Mr. Lim Kiah Meng and his spouse.
- (2) 146,442,667 shares are registered in the name of SIS International Holdings Limited (“SIS International”). It is owned as to approximately 50.5% 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 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.

Other Information

DIRECTORS' INTERESTS IN SHARES (*cont'd*)

(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 in "Share Options" below.

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

Ordinary share of HK\$0.10 each of SiS International, which is listed on the Main Board of the HKSE (Stock Code: 00529).

| 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 SiS International |
|------------------|--------------------|------------------|-----------------------------|---------------------------------|---------------------------------------------|-------------------------------------------------------------|
| Lim Kia Hong | 6,933,108 | 400,000 | - | 178,640,000 | 185,973,108 | 66.90% |
| Lim Kiah Meng | 5,403,200 | 250,000 | 534,000 | 178,640,000 | 184,827,200 | 66.49% |
| Lim Hwee Hai | 4,493,200 | 4,751,158 | - | - | 9,244,358 | 3.33% |
| Chu Chung Yi | 1,662,000 | - | - | - | 1,662,000 | 0.60% |

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 SiS International. 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.

Other Information

DIRECTORS' INTERESTS IN SHARES (cont'd)

(iv) Share options of SiS International, an associated corporation of the Company

| Date of grant | Vesting period | Exercisable period | Exercise price HK\$ | No. of share options of SiS International |
|----------------------------------------|-----------------------|-----------------------|------------------------|------------------------------------------------------------------------------------|
| | | | | Outstanding at 31 December 2021 (audited) and 30 June 2022 (unaudited) |
| Directors and their associates: | | | | |
| Lim Kia Hong | | | | |
| 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 |
| Lim Hwee Hai (Note) | | | | |
| 26.06.2015 | 27.06.2015–31.12.2015 | 01.01.2016–26.06.2025 | 4.47 | 100,000 |
| 26.06.2015 | 27.06.2015–31.12.2016 | 01.01.2017–26.06.2025 | 4.47 | 100,000 |
| 26.06.2015 | 27.06.2015–31.12.2017 | 01.01.2018–26.06.2025 | 4.47 | 100,000 |
| Lim Kiah Meng | | | | |
| 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 |
| Wong Yi Ting | | | | |
| 26.06.2015 | 27.06.2015–31.12.2015 | 01.01.2016–26.06.2025 | 4.47 | 20,000 |
| 26.06.2015 | 27.06.2015–31.12.2016 | 01.01.2017–26.06.2025 | 4.47 | 20,000 |
| 26.06.2015 | 27.06.2015–31.12.2017 | 01.01.2018–26.06.2025 | 4.47 | 20,000 |
| | | | | 660,000 |

Note: Mr. Lim Hwee Hai's interest in the share options of the Company includes the deemed interest in his spouse under the SFO.

Other Information

SHARE OPTIONS

For details of the Company's share option scheme, please refer to page 27 in the 2021 annual report.

The following table discloses movements in Company's share options during the period:

| Date of grant | Vesting period | Exercisable period | Exercise price HK\$ | No. of share options |
|----------------------------------------|-----------------------|-----------------------|------------------------|------------------------------------------------------------------------------------|
| | | | | Outstanding at 31 December 2021 (audited) and 30 June 2022 (unaudited) |
| Directors and their associates: | | | | |
| Lim Kia Hong | | | | |
| 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 |
| Lim Hwee Hai (Note) | | | | |
| 25.06.2015 | 26.06.2015–31.12.2015 | 01.01.2016–30.06.2023 | 2.36 | 600,000 |
| 25.06.2015 | 26.06.2015–31.12.2016 | 01.01.2017–30.06.2023 | 2.36 | 600,000 |
| 25.06.2015 | 26.06.2015–31.12.2017 | 01.01.2018–30.06.2023 | 2.36 | 600,000 |
| Lim Kiah Meng | | | | |
| 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 |
| Fong Po Kiu | | | | |
| 25.06.2015 | 26.06.2015–31.12.2015 | 01.01.2016–30.06.2023 | 2.36 | 300,000 |
| 25.06.2015 | 26.06.2015–31.12.2016 | 01.01.2017–30.06.2023 | 2.36 | 300,000 |
| 25.06.2015 | 26.06.2015–31.12.2017 | 01.01.2018–30.06.2023 | 2.36 | 300,000 |
| Wong Yi Ting | | | | |
| 25.06.2015 | 26.06.2015–31.12.2015 | 01.01.2016–30.06.2023 | 2.36 | 150,000 |
| 25.06.2015 | 26.06.2015–31.12.2016 | 01.01.2017–30.06.2023 | 2.36 | 150,000 |
| 25.06.2015 | 26.06.2015–31.12.2017 | 01.01.2018–30.06.2023 | 2.36 | 150,000 |

Note: Mr. Lim Hwee Hai's interest in the share options of the Company includes the deemed interest in his spouse under the SFO.

Other Information

SHARE OPTIONS (*cont'd*)

| Date of grant | Vesting period | Exercisable period | Exercise price <i>HK\$</i> | No. of share options |
|----------------------------------------------------|-----------------------|-----------------------|-------------------------------|------------------------------------------------------------------------------------|
| | | | | Outstanding at 31 December 2021 (audited) and 30 June 2022 (unaudited) |
| Chu Chung Yi | | | | |
| 25.06.2015 | 26.06.2015–31.12.2015 | 01.01.2016–30.06.2023 | 2.36 | 93,333 |
| 25.06.2015 | 26.06.2015–31.12.2016 | 01.01.2017–30.06.2023 | 2.36 | 93,333 |
| 25.06.2015 | 26.06.2015–31.12.2017 | 01.01.2018–30.06.2023 | 2.36 | 93,334 |
| Ng See Wai Rowena | | | | |
| 25.06.2015 | 26.06.2015–31.12.2015 | 01.01.2016–30.06.2023 | 2.36 | 93,333 |
| 25.06.2015 | 26.06.2015–31.12.2016 | 01.01.2017–30.06.2023 | 2.36 | 93,333 |
| 25.06.2015 | 26.06.2015–31.12.2017 | 01.01.2018–30.06.2023 | 2.36 | 93,334 |
| Doe Julianne Pearl | | | | |
| 25.06.2015 | 26.06.2015–31.12.2015 | 01.01.2016–30.06.2023 | 2.36 | 93,333 |
| 25.06.2015 | 26.06.2015–31.12.2016 | 01.01.2017–30.06.2023 | 2.36 | 93,333 |
| 25.06.2015 | 26.06.2015–31.12.2017 | 01.01.2018–30.06.2023 | 2.36 | 93,334 |
| Total directors and their associates | | | | 6,390,000 |
| Employees and other qualified persons | | | | |
| 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 |
| Total employees and other qualified persons | | | | 1,200,000 |
| Total number of share options | | | | 7,590,000 |

Other than disclosed above, no share options were granted, exercised, forfeited or expired during the reporting period.

Other Information

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2022, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and the chief executive, the following shareholders had notified the Company of relevant interests and long positions in the issued share capital of the Company.

Long positions in ordinary shares of HK\$0.10 each of the Company

| Name of Shareholder | Corporate interests (Note) | Approximate% of issued share capital of the Company |
|------------------------------------|-------------------------------|--------------------------------------------------------------|
| Summertown Ltd | 203,607,467 | 72.72% |
| Gold Sceptre Limited | 191,357,867 | 68.34% |
| SiS International Holdings Limited | 146,442,667 | 52.30% |

Note: 146,442,667 shares are registered in the name of SiS International. SiS International is owned as to approximately 50.5% 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 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.

Other than disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2022.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the HKSE (the “Listing Rules”). Throughout the period ended 30 June 2022, the Company has complied with the code provision under the Code.

Other Information

MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conduct for Directors in their dealings in securities of the Company. Having made specific enquiry of all directors, all directors confirmed they have complied with the Model Code.

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 2022, including the accounting principles and practices adopted by the Company.

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 period ended 30 June 2022.

On behalf of the Board of
SiS Mobile Holdings Limited

Lim Kiah Meng

Director

Hong Kong, 25 August 2022