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## SiS MOBILE HOLDINGS LIMITED

### 新龍移動集團有限公司\*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1362)

## FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

The directors (the “Directors”) of SiS Mobile Holdings Limited (the “Company”) are pleased to announce that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2018 together with comparative figures for the corresponding year in 2017 which are set out as follow:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

		<b>2018</b> <b>HK\$'000</b>	2017 HK\$'000
Revenue	Notes 4	<b>472,535</b>	445,911
Cost of sales		<b>(448,937)</b>	(421,027)
Gross profit		<b>23,598</b>	24,884
Other income		<b>347</b>	605
Other gains and losses	5	<b>(564)</b>	94
Selling and distribution expenses		<b>(9,189)</b>	(8,277)
Administrative expenses		<b>(14,067)</b>	(15,384)
Finance costs		<b>(40)</b>	(18)
Profit before tax	6	<b>85</b>	1,904
Income tax credit (expense)	7	<b>12</b>	(584)
Profit for the year		<b>97</b>	1,320
<b>Other comprehensive income</b>			
<i>Item that will not be subsequently reclassified to profit or loss</i>			
Loss from changes in fair value of equity instruments at fair value through other comprehensive income		<b>(2,534)</b>	-
<i>Item that may be subsequently reclassified to profit or loss</i>			
Gain from changes in fair value of available-for-sale investments		-	245
(Loss) profit and total comprehensive (expense) income for the year attributable to owners of the Company		<b>(2,437)</b>	1,565

\* For identification purposes only

		<b>2018</b> <i>HK Cents</i>	2017 <i>HK Cents</i>
Earnings per share			
– Basic	8	<u><b>0.03</b></u>	<u>0.47</u>
– Diluted	8	<u><b>0.03</b></u>	<u>0.47</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AT 31 DECEMBER 2018

	<i>Notes</i>	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Non-current Assets</b>			
Property, plant and equipment		<b>649</b>	975
Available-for-sale investments		-	1,954
Equity instruments at fair value through other comprehensive income		<u><b>14,638</b></u>	<u>-</u>
		<u><b>15,287</b></u>	<u>2,929</u>
<b>Current Assets</b>			
Inventories		<b>50,005</b>	33,049
Trade and other receivables, deposits and prepayments	9	<b>55,281</b>	29,776
Bank balances and cash		<u><b>14,925</b></u>	<u>70,953</u>
		<u><b>120,211</b></u>	<u>133,778</u>
<b>Current Liabilities</b>			
Trade payables, other payables and accruals	10	<b>33,627</b>	33,425
Contract liabilities		<b>1,607</b>	-
Tax payable		<u><b>3</b></u>	<u>584</u>
		<u><b>35,237</b></u>	<u>34,009</u>
<b>Net Current Assets</b>		<u><b>84,974</b></u>	<u>99,769</u>
<b>Total Assets less Current Liabilities and Net Assets</b>		<u><b>100,261</b></u>	<u>102,698</u>
<b>Capital and Reserves</b>			
Share capital	11	<b>28,000</b>	28,000
Reserves		<u><b>72,261</b></u>	<u>74,698</u>
<b>Equity attributable to owners of the Company and total equity</b>		<u><b>100,261</b></u>	<u>102,698</u>

*Notes:*

**1. GENERAL**

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 4 July 2014. The Company's immediate holding company is SiS International Holdings Limited ("SiS"), a company incorporated in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited (the "HKSE").

The Company is an investment holding company. The principal activities of its principal subsidiaries are distribution and retail sales of mobile phones and related products in Hong Kong.

**2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")**

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the HKSE ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

**New and amendments to HKFRSs that are mandatorily effective for the current year**

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK (IFRIC)-Int 22 Amendments to HKFRS 2	Foreign Currency Transactions and Advance Consideration Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

**HKFRS 15 *Revenue from Contracts with Customers***

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (*Continued*)

### **HKFRS 15 Revenue from Contracts with Customers (*Continued*)**

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations.

The Group recognised revenue from the sales and distribution of mobile phones and related products which arise from contracts with customers.

#### *Summary of effects arising from initial application of HKFRS 15*

As at 1 January 2018, advances from customers of HK\$103,000 previously included in trade payables, other payables and accruals were reclassified to contract liabilities. As at 31 December 2018, advances from customers of HK\$1,607,000 were disclosed as contract liabilities.

There is no material impact to the Group's consolidated statement of profit or loss and other comprehensive income.

### **HKFRS 9 Financial Instruments**

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities; 2) expected credit losses ("ECL") for financial assets and other items and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between the carrying amounts, if any, as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

#### *Summary of effects arising from initial application of HKFRS 9*

From available-for-sale ("AFS") investments to equity instruments to fair value through other comprehensive income ("FVTOCI")

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### HKFRS 9 *Financial Instruments* (Continued)

The Group elected to present in other comprehensive income for the fair value changes of all its equity investments previously classified as AFS. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK\$1,954,000 were reclassified from AFS investments to equity instruments at FVTOCI. The fair value gain of HK\$245,000 relating to those investments previously carried at fair value continues to accumulate in investments reserve.

#### Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Trade receivables have been assessed individually for debtors with significant balances and the remaining trade receivables collectively using a provision matrix with appropriate groupings.

ECL for other financial assets at amortised cost mainly comprise of other receivables, deposits and bank balances which are assessed on 12 months ECL basis as there had been no significant increase in credit risk since initial recognition.

The directors of the Company consider that the measurement of ECL has no material impact to the Group's retained profits as at 1 January 2018.

#### New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
HK (IFRIC)-Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>4</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>5</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (*Continued*)

### **HKFRS 16 *Leases***

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$2,032,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$377,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement* contains a lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### HKFRS 16 Leases (Continued)

Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

### Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgements. The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group's annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

## 3. SEGMENTAL 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 or 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 sales and distribution of mobile phones and related products.

## 5. OTHER GAINS AND LOSSES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Exchange loss, net	280	16
Gain from changes in fair value of investment held-for-trading	-	24
Allowance (reversal of allowance) for doubtful debts	<u>284</u>	<u>(134)</u>
	<u>564</u>	<u>(94)</u>

## 6. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Cost of inventories recognised as an expense (including reversal of allowance on obsolete and slow moving inventories of HK\$69,000 (2017: HK\$2,237,000))	<b>448,937</b>	421,027
Depreciation of property, plant and equipment	<b>400</b>	172
Dividend income from equity instruments at FVTOCI	<b>(329)</b>	-
	<b><u>448,937</u></b>	<b><u>421,027</u></b>

## 7. INCOME TAX (CREDIT) EXPENSE

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Hong Kong		
Current	<b>18</b>	584
Overprovision in prior years	<b>(30)</b>	-
	<b><u>(12)</u></b>	<b><u>584</u></b>

Hong Kong Profit tax is calculated at 16.5% of the estimated assessable profit for both years.

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the Group's profit attributable to owners of the Company of HK\$97,000 (2017: HK\$1,320,000) and the weighted average number of ordinary shares of 280,000,000 (2017: 280,000,000)

The computation of the diluted earnings per share does not assume the exercise of the Company's share options as the exercise price of those share options is higher than the average market price of the Company's shares for both years.

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

Included in trade and other receivables, deposits and prepayments are trade receivables of HK\$24,791,000 (2017: HK\$16,874,000). The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period.

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within 30 days	<b>14,818</b>	11,856
31 to 60 days	<b>7,725</b>	3,911
61 to 90 days	<b>2,208</b>	727
91 to 120 days	<b>40</b>	367
Over 120 days	<b>-</b>	13
	<b><u>24,791</u></b>	<b><u>16,874</u></b>
Total trade receivables	<b><u>24,791</u></b>	<b><u>16,874</u></b>

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 credit period from 0 day to 90 days to its trade customers. 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\$23,612,000 (2017: HK\$22,072,000). The average credit period on purchase of goods is 15 to 45 days. The following is an aged analysis of the trade payables based on the invoice date, at the end of each reporting period.

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within 30 days	<b>15,353</b>	15,753
31 to 90 days	<b>1,976</b>	144
91 to 120 days	-	-
Over 120 days	<b>6,283</b>	6,175
	<u>23,612</u>	<u>22,072</u>
Total trade payables	<b>23,612</b>	22,072

## 11. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each	Nominal value  <i>HK\$'000</i>
Authorised		
At 1 January 2017, 31 December 2017 and 2018	<b>500,000,000</b>	<b>50,000</b>
Issued and fully paid		
At 1 January 2017, 31 December 2017 and 2018	<b>280,000,000</b>	<b>28,000</b>

## DIVIDEND

Directors do not recommend payment of dividend for the year ended 31 December 2018 (2017: Nil).

## BUSINESS REVIEW AND PROSPECT

While we recorded positive growth in the first half of the year, the momentum did not continue in the second half of 2018. Demand for the high end smartphone handsets have slowed down due primarily to the consumers slowing down in upgrading and replacing new handsets. This, coupled with a full market penetration of smartphones in Hong Kong, resulted in challenging times for the smartphone vendors. Nevertheless, the Group has begun to identify and expand our product portfolio beyond smartphones distribution. We have begun to distribute gaming, laptop and other IT products. We believe that given time, we will build a balanced portfolio as we begin to diversify and transform.

5G promises to bring a new dimension with its speed to the industry and market. This is a quantum leap in technology. The onset of 5G promises new and vast opportunities for mobile vendors and smart IOT products. Smartphone vendors have begun to introduce foldable phones, new 5G handsets which will generate new demand usage and applications. We are today living in an era today where smartphones have become an integral part of our lives. We believe the demand for mobile and mobility products will recover in the near future.

Businesses have been affected by the uncertainties surrounding the trade disputes and tensions between China and USA, Brexit. We believe this will be settled and resolved with time. The Directors are moving ahead cautiously. The Group will seek area to improve, enhance operational efficiency and continue to explore business to maximize shareholders value.

## **FINANCIAL REVIEW AND ANALYSIS**

### **Financial Review**

For the financial year ended 31 December 2018, revenue of the Group amounted to HK\$472,535,000 (2017: HK\$445,911,000), representing an increase of 6% compared to that of last year. This was mainly attributable to higher sales demand during the year. However, gross profit ratio of smartphone products were more challenging, the net profit attributable to owners of the Company was HK\$97,000 whereas a net profit of HK\$1,320,000 was recorded for the same period last year.

During the year, the Group's total operating expenditures for the year was stable and maintain in low level at HK\$23,296,000 (2017: HK\$23,679,000).

The carrying amount of inventory as at 31 December 2018 amounted to HK\$50,005,000, representing an increase of 51% compared to that of last year. In view the improvement of the economy and the product mix, it was at a sufficient level to meet customers demand.

Doubtful debt of HK\$284,000 was provided for a customer on a conservative approach; trade receivable turnover day was 16 days, the trade receivable level was still stable and healthy.

### **Liquidity and Financial Resources**

As at 31 December 2018, the Group had total assets of HK\$135,498,000 which were financed by total equity of HK\$100,261,000 and total liabilities of HK\$35,237,000. The Group had current ratio of approximately 3.4 compared to that of approximately 3.9 at 31 December 2017.

As at 31 December 2018 the Group had HK\$14,925,000 (31 December 2017: HK\$70,953,000) bank balances and cash. The Group's working capital requirements were mainly financed by internal resources and bank borrowings. As at 31 December 2018 and 2017, the Group did not have any borrowings.

At the end of December 2018, the Group had net cash surplus of HK\$14,925,000 (31 December 2017: HK\$70,953,000).

### **Charges on Group Assets**

There was no pledged asset as at 31 December 2018 (31 December 2017: Nil).

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

The number of staff of the Group as at 31 December 2018 was 40 (31 December 2017: 38) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments, amounted to HK\$11,850,000 (31 December 2017: HK\$11,782,000). 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 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. In 2015, 7,890,000 share options were granted to directors, employees and eligible persons. Fair value of the options determined at the date of grant was approximately HK\$7,418,000 and has been fully charged off during in previous year as equity-settled share option expense. 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.

## **Environmental, Social and Corporate Responsibility**

As a responsible organization, the Group is committed to maintain high environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including employment, workplace conditions, health and safety and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees and other stakeholders to participate in environmental and social activities which benefit the community as a whole.

The Group maintains strong relationship with its employees, has enhanced cooperation with its vendors and has provided high quality products and services to its customers and resellers so as to ensure sustainable development.

## **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.

## **Contingent Liabilities**

At 31 December 2018, the Group did not have any contingent liabilities or guarantees (31 December 2017: Nil).

## **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 Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has complied with the code provision under the Code.

## **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 COMMITTEES**

The Audit Committee comprises all independent non-executive Directors. The Audit Committee has reviewed the Company’s consolidated financial statements for the year ended 31 December 2018, including the accounting principles and practices adopted by the Company, in conjunction with the Company’s auditors. The financial figures in this announcement of the Group’s results for the year ended 31 December 2018 have been agreed by 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 year ended.

## **SUFFICIENCY OF PUBLIC FLOAT**

The Company has maintained a sufficient public float throughout the year ended 31 December 2018.

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

This results announcement is published on the Company’s website at [www.sismobile.com.hk](http://www.sismobile.com.hk) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2018 annual report of the Company will be dispatched to shareholders of the Company and published on the above-mentioned websites on or before 30 April 2019.

## **APPRECIATION**

We would like to express our appreciation to our dedicated staff for their contributions and hard work and to our customers, business partners, shareholders and directors for their continued support.

On behalf of the Board of  
**SiS Mobile Holdings Limited**  
**LIM Kia Hong**  
*Chairman*

Hong Kong, 27 March 2019

*As at the date of this announcement, the directors of the Company are Mr. Lim Kiah Meng, Mr. Fong Po Kiu and Ms. Wong Yi Ting as executive directors, Mr. Lim Kia Hong and Mr. Lim Hwee Hai as non-executive directors and Ms. Chu Chung Yi, Ms. Ng See Wai Rowena and Ms. Doe Julianne Pearl as independent non-executive directors.*