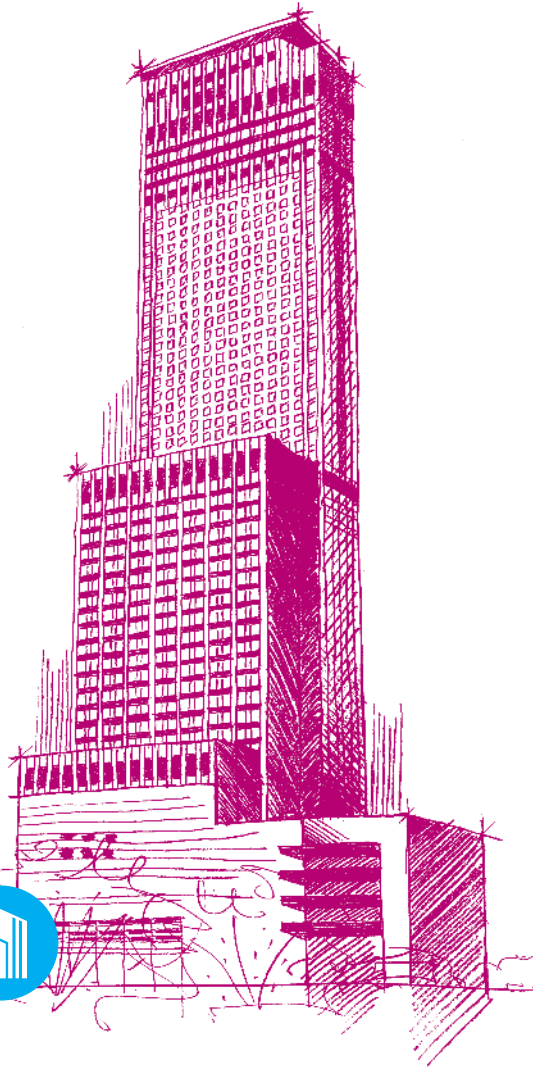




SiS International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00529)



2015
INTERIM
REPORT





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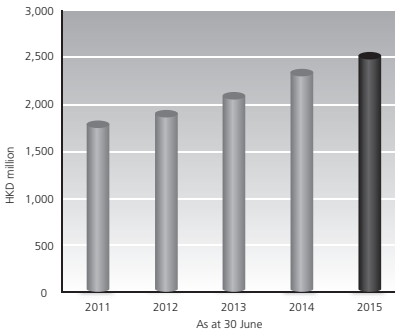


MESSAGE FROM THE CHAIRMAN AND CEO

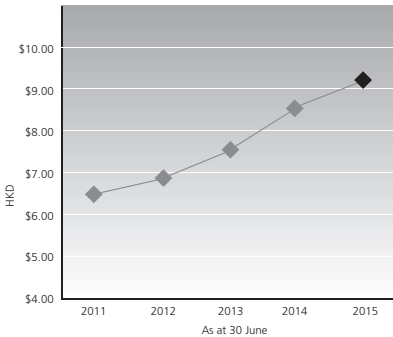
Dear Shareholders,

I am pleased to present to our shareholders results of the Group for the six months ended 30 June 2015. Total net profit for the period increased 88% to HK\$68 million from HK\$36 million. Gross profit increased to HK\$85 million from HK\$81 million while Sales revenue for the interim period for Group decreased to HK\$580 million from HK\$1,027 million. Basis earnings per share increased 95% to 24.4 HK cents from 12.5 HK cents. Net assets value per share increased from HK\$8.85 to HK\$9.15.

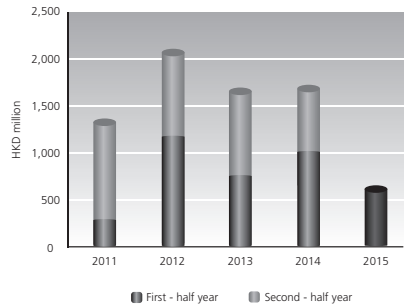
Shareholders' equity



Net assets value per share



Revenue





BUSINESS REVIEW

Real Estate Investments Business

Total revenue from Group's real estate investment portfolio for the period increased to HK\$89 million and reported an segment profit of HK\$44 million (excluding gain from change in fair value) as compared to HK\$37 million in last interim period.

In 2015, the Group acquired two additional hotel properties in Japan; First Cabin in Tsukiji near Ginza Tokyo and the hotel B Kyoto Sanjo in Kyoto Japan. As a result of the additional acquisitions, the Group now has a total of ten hotel properties located in various cities in Japan. Although Japanese yen has depreciated during the period, the Group's exchange rate risk was mostly offset by the borrowings in Japanese Yen and the increase in market value of the properties.

We acquired a whole floor commercial office in Hong Kong at Admiralty at a consideration of HK\$312 million, the acquisition was completed in July 2015. The income stream from this property will contribute and strengthen the Group's results positively.

Total carrying value of the Group's investment properties in Japan, Hong Kong and Singapore amounted to HK\$2,212 million as at 30 June 2015, increased by 10% when compared with year ended 31 December 2014.

Investment in IT Business

Our associate company SiS Distribution (Thailand) Public Company Limited continued to perform and contributed HK\$8 million to the Group, despite of the political and economic challenges in Thailand.

Revenue contribution from our subsidiary Information Technology Consultants Limited ("ITCL") increased 10% to HK\$43 million for the six months period ended 30 June 2015 when compared with the same period in 2014. ITCL is one of the largest provider of payment switch and gateway in the provision of financial services and mobile banking solutions to banks and telcos in Bangladesh. It holds a prominent leading position in providing electronic and mobile banking payment services as well as supplying payment terminals to customers in Bangladesh.

The use of electronic payments is rapidly being adopted all over the world. The Group will continue to monitor the development in Bangladesh and seek strategic partners to further expand the business in the area of electronic & mobile payment services.

Distribution

As a result of intensive competition in mobility products and weak demands in retail market in Hong Kong, the revenues from mobile & IT products distribution and distribution management services reduced 48% from HK\$940 million to HK\$491 million and the segment profits decreased 59% from HK\$10 million to HK\$4 million as compared to the same period in 2014.



PROSPECT

The global economic outlook remains cloudy for the second half of the year. Every challenge presents new opportunity. Despite the challenges and unstable global economic outlook, the Group is cautiously moving ahead with confidence. With a strong financial position, the Group will leverage its knowledge and experiences as it continue to explore and seek for other investment and diversification opportunities that offer high return to the Group and shareholders.

The Group believe that the number of tourists travelling to Japan will continue to increase in the near future in the face of devaluation of the Japanese Yen and the oncoming Olympics 2020 in Japan. Budget & business hotels businesses in Japan have become sizeable businesses.

APPRECIATION

We would like to thank our committed staff for their contributions, our customers, business partners, shareholders and directors for their support in SiS. 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, 26 August 2015



The directors (the "Directors") of SiS International Holdings Limited (the "Company") is pleased to announce that the condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 together with comparative figures for the corresponding period in 2014. The interim financial statements have been reviewed by the Company's auditor and audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Six months ended	
		30 June	30 June
		2015	2014
	Notes	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	579,618	1,026,823
Cost of sales		<u>(494,741)</u>	<u>(946,207)</u>
Gross profit		84,877	80,616
Other income		2,404	9,382
Other gains and losses	4	1,690	9,870
Distribution costs		(14,183)	(20,940)
Administrative expenses		(47,913)	(41,769)
Gain from changes in fair value of investment properties		46,139	–
Share of results of associates		7,868	11,151
Share of results of joint ventures		–	(118)
Finance costs		<u>(10,355)</u>	<u>(8,644)</u>
Profit before tax		70,527	39,548
Income tax expense	5	<u>(2,371)</u>	<u>(3,298)</u>
Profit for the period	6	<u>68,156</u>	<u>36,250</u>
Profit for the period attributable to:			
Owners of the Company		67,630	34,541
Non-controlling interests		<u>526</u>	<u>1,709</u>
		<u>68,156</u>	<u>36,250</u>
EARNINGS PER SHARE	7		
– Basic (HK cents)		<u>24.4</u>	<u>12.5</u>
– Diluted (HK cents)		<u>24.4</u>	<u>12.4</u>

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

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended	
	30 June 2015 HK\$'000 (unaudited)	30 June 2014 HK\$'000 (unaudited)
Profit for the period	<u>68,156</u>	<u>36,250</u>
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Gain on fair value change of available-for-sale investments	11,316	11,637
Exchange realignment arising on translation of foreign operations	<u>(10,466)</u>	<u>8,009</u>
Other comprehensive income for the period	<u>850</u>	<u>19,646</u>
Total comprehensive income for the period	<u>69,006</u>	<u>55,896</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	68,486	54,189
Non-controlling interests	<u>520</u>	<u>1,707</u>
	<u>69,006</u>	<u>55,896</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AT 30 JUNE 2015

		30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Non-current assets			
Investment properties	9	2,211,948	2,015,865
Property, plant and equipment	9	187,225	191,012
Goodwill		11,509	11,509
Intangible assets		47,360	45,568
Interests in associates		161,894	166,067
Interests in joint ventures		–	–
Available-for-sale investments		154,553	136,640
Deposits for acquisition of investment property, and property, plant and equipment		63,346	–
		<u>2,837,835</u>	<u>2,566,661</u>
Current assets			
Inventories		63,973	74,880
Trade and other receivables, deposits and prepayments	10	115,753	126,741
Amount due from a joint venture		7,835	8,741
Derivative financial instruments	11	10,756	13,254
Tax recoverable		2,510	3,157
Investments held-for-trading		11,442	11,248
Pledged deposits		453,633	493,522
Bank balances and cash		410,209	327,583
		<u>1,076,111</u>	<u>1,059,126</u>
Current liabilities			
Trade payables, other payables and accruals	12	130,212	152,242
Dividend payable		13,873	–
Tax payable		17,610	18,072
Bank loans	13	575,988	437,850
Bonds		5,578	–
Bank overdrafts		35,786	39,084
		<u>779,047</u>	<u>647,248</u>
Net current assets		<u>297,064</u>	<u>411,878</u>
Total assets less current liabilities		<u>3,134,899</u>	<u>2,978,539</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)**

AT 30 JUNE 2015

		30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Non-current liabilities			
Bank loans	13	359,131	312,853
Bonds		129,488	106,167
Deferred tax liabilities		21,092	21,011
Rental deposits		86,984	87,268
		<u>596,695</u>	<u>527,299</u>
Net assets		<u>2,538,204</u>	<u>2,451,240</u>
Capital and reserves			
Share capital	14	27,737	27,709
Share premium		72,093	71,488
Reserves		(8,095)	8,717
Retained profits		2,321,801	2,268,044
Equity attributable to owners of the Company		<u>2,413,536</u>	<u>2,375,958</u>
Non-controlling interests		<u>124,668</u>	<u>75,282</u>
Total equity		<u>2,538,204</u>	<u>2,451,240</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Share capital	Share premium	Investments reserve	Translation reserve	Property revaluation reserve	Contributed surplus	Share options surplus	Other reserve	Retained profits	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
						(note 1)		(note 2)				
At 1 January 2014 (audited)	27,703	71,367	24,144	3,692	933	2,860	522	-	2,114,037	2,245,258	76,114	2,321,372
Profit for the period	-	-	-	-	-	-	-	-	34,541	34,541	1,709	36,250
Other comprehensive income (expense) for the period	-	-	11,637	8,011	-	-	-	-	-	19,648	(2)	19,646
Total comprehensive income (expense) for the period	-	-	11,637	8,011	-	-	-	-	34,541	54,189	1,707	55,896
Dividend declared (Note 8)	-	-	-	-	-	-	-	-	(22,167)	(22,167)	-	(22,167)
Issue of shares upon exercise of share options	6	121	-	-	-	-	(32)	-	-	95	-	95
At 30 June 2014 (unaudited)	<u>27,709</u>	<u>71,488</u>	<u>35,781</u>	<u>11,703</u>	<u>933</u>	<u>2,860</u>	<u>490</u>	<u>-</u>	<u>2,126,411</u>	<u>2,277,375</u>	<u>77,821</u>	<u>2,355,196</u>
At 1 January 2015 (audited)	<u>27,709</u>	<u>71,488</u>	<u>36,729</u>	<u>(32,295)</u>	<u>933</u>	<u>2,860</u>	<u>490</u>	<u>-</u>	<u>2,268,044</u>	<u>2,375,958</u>	<u>75,282</u>	<u>2,451,240</u>
Profit for the period	-	-	-	-	-	-	-	-	67,630	67,630	526	68,156
Other comprehensive income (expense) for the period	-	-	11,316	(10,460)	-	-	-	-	-	856	(6)	850
Total comprehensive income (expense) for the period	-	-	11,316	(10,460)	-	-	-	-	67,630	68,486	520	69,006
Dividend declared (Note 8)	-	-	-	-	-	-	-	-	(13,873)	(13,873)	-	(13,873)
Deemed disposal of a subsidiary	-	-	-	-	-	-	-	(17,558)	-	(17,558)	48,771	31,213
Issue of shares upon exercise of share options	28	605	-	-	-	-	(155)	-	-	478	-	478
Recognition of equity settled share-based payment	-	-	-	-	-	-	45	-	-	45	95	140
At 30 June 2015 (unaudited)	<u>27,737</u>	<u>72,093</u>	<u>48,045</u>	<u>(42,755)</u>	<u>933</u>	<u>2,860</u>	<u>380</u>	<u>(17,558)</u>	<u>2,321,801</u>	<u>2,413,536</u>	<u>124,668</u>	<u>2,538,204</u>

Note 1: Contributed surplus represents the excess of the nominal value of the shares of the acquired subsidiaries over the nominal value of the Company's shares issued for the acquisition upon the group reorganisation in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited in the year 1992.

Note 2: Other reserve represents the difference between the fair value of the consideration (net of transaction cost) and the carrying amount of the reduction in the Company's interest in SiS Mobile Holding Limited ("SiS Mobile"), arising from the listing of SiS Mobile's shares on the Stock Exchange of Hong Kong Limited on 15 January 2015.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended	
	30 June	30 June
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash from operating activities	19,372	38,400
Investing activities		
Dividend received from associates	7,817	7,916
Investment in a joint venture	-	(153)
Withdrawal (placement) of pledged deposits	39,889	(3,749)
Purchase of available-for-sale investments	(6,630)	(28,389)
Purchase of investments held-for-trading	(315)	(363)
Purchase of investment properties	(173,885)	-
Purchase of intangible assets	(4,859)	-
Purchase of property, plant and equipment	(1,566)	(1,155)
Deposits paid for acquisition of investment property, and property, plant and equipment	(63,346)	-
Other investing cash flows	9,055	8,722
Net cash used in investing activities	(193,840)	(17,171)
Financing activities		
New bank loans raised	218,975	162,427
Net proceeds from offer for sale of SiS Mobile's shares to non-controlling shareholders	30,521	-
Repayment of bank loans	(17,316)	(162,002)
(Repayment of) increase in bank overdrafts	(3,167)	3,147
Proceeds on issue of shares	478	95
Proceeds from issue of bonds	31,783	-
Repayment of bonds	(63)	-
Net cash from financing activities	261,211	3,667
Net increase in cash and cash equivalents	86,743	24,896
Cash and cash equivalents at 1 January	327,583	341,746
Effect of foreign exchange rate changes	(4,117)	(2,110)
Cash and cash equivalents at 30 June, represented by bank balances and cash	410,209	364,532

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

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 ("HKSE").

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.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

- Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions;
- Amendments to HKFRSs Annual Improvements to HKFRSs 2010-2012 Cycle; and
- Amendments to HKFRSs Annual Improvements to HKFRSs 2011-2013 Cycle.

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.



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>	Total <i>HK\$'000</i>
Six months ended 30 June 2015 (unaudited)			
<i>Segment revenue</i>			
External sales	490,762	88,856	579,618
<i>Segment profit</i>			
	4,057	90,002	94,059
Change in fair value of investments held-for-trading			(121)
Dividend income from investments held-for-trading			288
Dividend income from available-for-sale investments			138
Share of results of associates			7,868
Finance costs			(10,355)
Other unallocated income			980
Unallocated corporate expenses			(22,330)
Profit before tax			70,527

**3. SEGMENT INFORMATION (cont'd)**

	Distribution of mobile and IT products <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2014 (unaudited)			
<i>Segment revenue</i>			
External sales	<u>939,954</u>	<u>86,869</u>	<u>1,026,823</u>
<i>Segment profit</i>	<u>9,874</u>	<u>37,343</u>	47,217
Change in fair value of investments held-for-trading			1,224
Dividend income from investments held-for-trading			3,130
Dividend income from available-for-sale investments			341
Share of results of associates			11,151
Share of results of joint ventures			(118)
Finance costs			(8,644)
Other unallocated income			2,411
Unallocated corporate expenses			<u>(17,164)</u>
Profit before tax			<u>39,548</u>

Segment 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 joint ventures, change in fair value of investments held-for-trading, investment income and finance costs.

**4. OTHER GAINS AND LOSSES**

	Six months ended	
	30 June 2015 HK\$'000 (unaudited)	30 June 2014 HK\$'000 (unaudited)
Other gains and losses comprises:		
Change in fair value of derivative financial instruments	4,294	(8,758)
Exchange (loss) gain, net	(2,465)	17,404
Change in fair value of investments held-for-trading	(121)	1,224
Loss on disposal of property, plant and equipment	(18)	—
	1,690	9,870

5. INCOME TAX EXPENSE

	Six months ended	
	30 June 2015 HK\$'000 (unaudited)	30 June 2014 HK\$'000 (unaudited)
The charge comprises:		
Hong Kong Profits Tax		
Current period	647	1,310
Underprovision in respect of prior periods	—	352
	647	1,662
Overseas Tax		
Current period	1,404	755
Underprovision in respect of prior periods	56	—
	1,460	755
Deferred tax	264	881
Income tax expense for the period	2,371	3,298

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

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

**6. PROFIT FOR THE PERIOD**

	Six months ended	
	30 June 2015 <i>HK\$'000</i> (unaudited)	30 June 2014 <i>HK\$'000</i> (unaudited)
Profit for the period has been arrived at after charging and (crediting):		
Cost of inventories recognised in cost of sales	455,594	896,760
Depreciation of property, plant and equipment	5,155	4,429
Amortisation of intangible assets	2,900	2,622
Share of tax expense of associates	2,943	3,571
Allowance (reversal of allowance) for inventories, net	2,674	(4,640)
Allowance for doubtful debts	-	43
Allowance for amount due from a joint venture (Note 17)	-	8,073
Interest income on bank deposits	<u>(1,433)</u>	<u>(2,411)</u>

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the Group's profit of HK\$67,630,000 (30 June 2014: HK\$34,541,000) and the number of ordinary shares calculated below.

	Six months ended	
	30 June 2015 <i>'000 shares</i> (unaudited)	30 June 2014 <i>'000 shares</i> (unaudited)
Number of ordinary shares for the purpose of basic earnings per share	277,358	277,035
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	<u>321</u>	<u>411</u>
Number of ordinary shares for the purpose of diluted earnings per share	<u>277,679</u>	<u>277,446</u>

The computation of diluted earnings per share for the six months ended 30 June 2015 did not assume the exercise of certain share options of the Company and share options of SiS Mobile as the exercise prices of those options are higher than the average market prices of the Company and SiS Mobile for the period.



8. DIVIDENDS

	Six months ended	
	30 June 2015 HK\$'000 (unaudited)	30 June 2014 HK\$'000 (unaudited)
Final dividend, payable in respect of the year ended 31 December 2014 of 5.0 HK cents per share (2014: 5.0 HK cents per share in respect of the year ended 31 December 2013)	13,873	13,854
Special dividend, payable in respect of the year ended 31 December 2013 of 3.0 HK cents per share	-	8,313
	13,873	22,167

The directors do not recommend the payment of interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

9. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group's investment properties as at 30 June 2015 were fair valued by the directors with reference to recent transaction prices in the market for similar properties in similar locations and where appropriate by capitalization of the net income with due allowance for outgoings and provisions for reversionary income potential.

During the period, the Group spent approximately HK\$1,566,000 (six months ended 30 June 2014: HK\$1,155,000) and HK\$173,885,000 (six months ended 30 June 2014: nil) on the acquisition of property, plant and equipment and investment properties respectively.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in trade and other receivables, deposits and prepayments are trade receivables of HK\$67,956,000 (31 December 2014: HK\$69,944,000). The following is an analysis of trade receivables by age, net of allowance for doubtful debts, presented based on the invoice date, which approximated the revenue recognition date.

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Within 30 days	36,539	21,387
31 to 90 days	12,863	19,161
91 to 120 days	3,535	1,805
Over 120 days	15,019	27,591
	67,956	69,944

The Group maintains a defined credit policy. For sales of mobile & IT products, the Group allows an average credit period of 30 days to its trade customers. For sales of electronic devices to banks in Bangladesh are on instalment basis. No credit period is granted to customers for renting of properties and related company. Rent is payable in advance on presentation of a demand note. No interest is charged on overdue debts.

**11. DERIVATIVE FINANCIAL INSTRUMENTS**

	30 June 2015 <i>HK\$'000</i> (unaudited)	31 December 2014 <i>HK\$'000</i> (audited)
Financial assets		
Foreign currency forward contracts	<u>10,756</u>	<u>13,254</u>

The Group entered into foreign currency forward contracts with total principal amount of US\$35,000,000 (31 December 2014: US\$23,000,000) to sell various amounts of Japanese Yen at specific rates ranging from 101.38 to 122.93 to US\$1 (31 December 2014: 103.95 to 119.17 for US\$1). The mature dates of these forward contracts range from 15 July 2015 to 2 July 2016 (31 December 2014: 2 April 2015 to 17 December 2015).

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals are trade payables of HK\$38,395,000 (31 December 2014: HK\$52,771,000). The following is an analysis of trade payables by age, presented based on the invoice date.

	30 June 2015 <i>HK\$'000</i> (unaudited)	31 December 2014 <i>HK\$'000</i> (audited)
Within 30 days	29,345	34,532
31 to 90 days	6,254	15,380
91 to 120 days	102	127
Over 120 days	<u>2,694</u>	<u>2,732</u>
	<u>38,395</u>	<u>52,771</u>

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

13. BANK LOANS

During the current interim period, the Group repaid bank loans of HK\$17,316,000 (six months ended 30 June 2014: HK\$162,002,000) and obtained new short-term bank loans amounting to HK\$218,975,000 (six months ended 30 June 2014: HK\$162,427,000).



14. SHARE CAPITAL

	No. of ordinary shares of HK\$0.10 each	Nominal value HK\$'000
Authorised	350,000,000	35,000
Issued and fully paid		
At 1 January 2014 (audited)	277,033,332	27,703
Exercise of share options	55,555	6
At 31 December 2014 (audited)	277,088,887	27,709
Exercise of share options	277,779	28
At 30 June 2015 (unaudited)	277,366,666	27,737

15. SHARE-BASED PAYMENTS

(a) SHARE OPTIONS SCHEME OF SIS INTERNATIONAL HOLDINGS LIMITED ("SIS INTERNATIONAL SHARE OPTION SCHEME")

Pursuant to the SiS International Share Option Scheme adopted by the Company on 21 May 2007, 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.

The table below discloses movement of the Company's share options held by the qualified persons:

	Outstanding at 1 January 2015 (audited)	Granted during the period	Exercised during the period	Outstanding at 30 June 2015 (unaudited)
Qualified persons				
Directors	277,779	990,000	(77,779)	1,190,000
Employees and others	600,000	1,260,000	(200,000)	1,660,000
	877,779	2,250,000	(277,779)	2,850,000

The closing price of the Company's shares immediately before 26 June 2015, the date of grant, was HK\$4.49.

The weighted average closing prices of the Company's shares immediately before the dates on which the options were exercised were HK\$3.77 and HK\$3.75.

During the current interim period, share options were granted by the Company on 26 June 2015. The fair values of the options determined at the date of grant using the Binomial model was approximately HK\$3,695,000.

**15. SHARE-BASED PAYMENTS (cont'd)****(a) SHARE OPTIONS SCHEME OF SIS INTERNATIONAL HOLDINGS LIMITED ("SIS INTERNATIONAL SHARE OPTION SCHEME") (cont'd)**

The following assumptions used to calculate the fair values of share options were:

Grant date share price	HK\$4.39
Exercise price	HK\$4.47
Expected life	10 years
Expected volatility	40.35%
Dividend yield	1.14%
Risk-free interest rate	1.84%
Sub-optimal	1.80 to 1.83

(b) SHARE OPTION SCHEME OF SIS MOBILE HOLDINGS LIMITED ("SIS MOBILE SHARE OPTION SCHEME")

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

	Granted during the period and outstandings at 30 June 2015 (unaudited)
Directors	6,690,000
Employees and others	1,200,000
	7,890,000

During the current interim period, share options were granted by SiS Mobile on 25 June 2015. The fair values of the options determined at the date of grant using the Binomial model was approximately HK\$7,418,000.

The following assumptions used to calculate the fair values of share options were:

Grant date share price	HK\$2.17
Exercise price	HK\$2.36
Expected life	8 years
Expected volatility	54.75%
Dividend yield	0%
Risk-free interest rate	1.64%
Sub-optimal	1.80 to 1.83

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.



16. PLEDGE OF ASSETS

At the end of the reporting period,

- (a) The Group's investment properties with carrying values of HK\$1,584,065,000 (31 December 2014: HK\$1,436,778,000) were charged to secure general banking facilities available to the Group.
- (b) Bank deposits of HK\$453,633,000 (31 December 2014: HK\$493,522,000) were pledged to secure the Group's bank loans.

17. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with related parties:

	Associates (Note 1)		Joint venture (Note 2)		Related companies (Note 3)	
	Six months ended		Six months ended		Six months ended	
	30 June 2015 HK\$'000 (unaudited)	30 June 2014 HK\$'000 (unaudited)	30 June 2015 HK\$'000 (unaudited)	30 June 2014 HK\$'000 (unaudited)	30 June 2015 HK\$'000 (unaudited)	30 June 2014 HK\$'000 (unaudited)
Sales of goods	-	-	310	35,667	761	-
Purchase of goods	-	1,084	753	4,974	-	-
Income from management service	1,303	1,408	-	-	-	-
Operating lease rental expense	-	-	-	-	396	396

Note 1: Amount due from an associate at the end of the reporting period included in other receivables was HK\$428,000 (31 December 2014: HK\$626,000). The amount is unsecured, interest-free and repayable on demand.

Note 2: Amount due from a joint venture is unsecured, interest-free and has a credit period of 30 days. At the end of the reporting period, the directors assessed the recoverable amount of the amount due from the joint venture, which is based on the expected future cash flows to be repayable by the joint venture. During the year ended 31 December 2014, the directors identified an allowance for HK\$8,073,000 and such amount was recognised in the profit or loss.

Note 3: Certain directors of the Company have controlling interest in the related companies.

Apart from the above, remuneration paid or payable to the directors of the Company who are considered to be the key management personnel for the six months ended 30 June 2015 was HK\$11,108,000 (six months ended 30 June 2014: HK\$10,680,000).



18. COMMITMENTS

During the period, the Group entered into a sale and purchase agreement with an independent third party for the acquisition of a property for a consideration of HK\$311,600,000. Initial deposit of HK\$31,160,000 has been paid while the remaining balance of HK\$280,440,000 shall be payable upon completion of the acquisition. The acquisition was completed in July 2015.

During the period, the Group also entered into a renovation agreement with an independent third party for renovation of a newly acquired hotel property in Japan for the amount contracted but not provided for JPY123,768,000 (equivalent to HK\$7,847,000).

19. DEEMED DISPOSAL OF SUBSIDIARIES

With the listing of the shares of SiS Mobile on the HKSE on 15 January 2015,

- (a) an amount of HK\$23,519,000 was capitalised by the issuance of 235,190,000 ordinary shares of HK\$0.10 each from SiS Mobile to the Company;
- (b) 88,757,333 ordinary shares of SiS Mobile of HK\$0.10 each were declared by the Company as a special dividend by way of distribution in specie to the Company's qualifying shareholders; and
- (c) 44,800,000 ordinary shares of HK\$0.10 each were issued by SiS Mobile at HK\$0.82 per share to the public for a total gross proceeds of HK\$36,736,000.

With the issuance of SiS Mobile's shares to the public and the Company's qualifying shareholders, the Company's equity interest in SiS Mobile has been diluted from 100% to 52.30% and considered to be a deemed disposed. Although there is a reduction in the equity interest in SiS Mobile, the Company is still able to exercise control over SiS Mobile and the effect of the reduction in the Company's interest in SiS Mobile of HK\$17,558,000, being the difference between the fair value of consideration of HK\$30,521,000 (net of issue expense of HK\$6,215,000) and the non-controlling interest in SiS Mobile of HK\$48,079,000, has been recognised directly in reserves.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of fair value hierarchy into which fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair measurement is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measured recognised in the consolidated statement of financial position
At 30 June 2015 (unaudited)

	Fair value hierarchy		Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	
Listed securities classified as investments held-for-trading	11,442	–	11,442
Listed securities classified as available-for-sale investments	85,086	–	85,086
Derivative financial instruments – Foreign currency forward contracts	–	10,756	10,756
Total	96,528	10,756	107,284

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (cont'd)
(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (cont'd)

Fair value measured recognised in the consolidated statement of financial position (cont'd)
 At 31 December 2014 (audited)

	Fair value hierarchy		Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	
Listed securities classified as investments held-for-trading	11,248	–	11,248
Listed securities classified as available-for-sale investments	73,768	–	73,768
Derivative financial instruments – Foreign currency forward contracts	–	13,254	13,254
Total	85,016	13,254	98,270

The fair value of listed securities is determined with reference to quoted market bid price from relevant stock exchanges.

The fair value of foreign currency forward contracts are measured at the present value of future cash flows estimated using quoted forward exchange rates, which is observable at the end of the reporting period.

There were no transfers between Levels 1, 2 and 3 during the six months ended 30 June 2015.

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis. The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed financial statements approximate their fair values.

21. EVENT AFTER THE END OF REPORTING PERIOD

On 17 July 2015, a subsidiary of the Group has entered into a sale and purchase agreement with a third party to acquire a piece of land, superficies and parking lots in Osaka, Japan for a consideration of JPY390,018,000 (equivalent to HK\$24,727,000). The acquisition was completed on 31 July 2015.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

FINANCIAL REVIEW AND ANALYSIS

Liquidity and Financial Resources

As at 30 June 2015, the Group had total assets of HK\$3,913,946,000 which were financed by total equity of HK\$2,538,204,000 and total liabilities of HK\$1,375,742,000. The Group had current ratio of approximately 1.4 compared to that of approximately 1.6 at 31 December 2014.

As at 30 June 2015 the Group had HK\$863,842,000 (31 December 2014: HK\$821,105,000) bank deposits balances and cash of which HK\$453,633,000 (31 December 2014: HK\$493,522,000) was pledged to banks to secure bank borrowings. The Group's working capital requirements were mainly financed by internal resources, bank loans, bonds and overdraft. As at 30 June 2015, the Group had short term loans, bonds and bank overdrafts of total HK\$617,352,000 (31 December 2014: HK\$476,934,000) and long term loans and bonds of HK\$488,619,000 (31 December 2014: HK\$419,020,000). The borrowings were mainly denominated in Japanese Yen, Hong Kong Dollars and Bangladesh Taka and were charged by banks at floating interest rate.

At the end of June 2015, the Group had net borrowings (total bank borrowings, bonds and bank overdraft less bank balances and cash and pledged deposits) of HK\$242,129,000 (31 December 2014: HK\$74,849,000).

Gearing ratio, as defined by total bank borrowings and bonds to total equity as at 30 June 2015 was 44% (31 December 2014: 37%).

Charges on Group Assets

As at 30 June 2015, the Group had pledged deposits of HK\$453,633,000 (31 December 2014: HK\$493,522,000) and investment properties with carrying value of HK\$1,584,065,000 (31 December 2014: HK\$1,436,778,000) were pledged to banks to secure general banking facilities granted to the Group and for purchase of investment properties.

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

The number of staff of the Group as at 30 June 2015 was 341 (30 June 2014: 290) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments, amounted to HK\$18,618,000 (30 June 2014: HK\$15,375,000). 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 2015, share options of 277,779 have been exercised and the weighted average closing share prices immediate before the dates of exercise of the share options were HK\$3.77 and HK\$3.75, and 2,250,000 share options were granted to grantees. 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 (cont'd)

Currency Risk Management

The Group maintains a conservative approach on foreign exchange exposure management by entering into foreign currency forward contracts. There are no significant changes in strategies to hedge against exposure to fluctuations in exchange rates from last year end date. At 30 June 2015, the Group had notional amount US\$35,000,000 (equivalent to HK\$273,000,000) outstanding forward contracts (31 December 2014: US\$23,000,000 (equivalent to HK\$179,400,000)).

Capital Expenditure

During the period, the Group spent approximately HK\$1,566,000 (six months ended 30 June 2014: HK\$1,155,000) and HK\$173,885,000 (six months ended 30 June 2014: Nil) on the acquisition of property, plant and equipment and investment properties respectively.

During the period, the Group entered into a sale and purchase agreement with an independent third party for the acquisition of a property for a consideration of HK\$311,600,000. Initial deposit of HK\$31,160,000 has been paid while the remaining balance of HK\$280,440,000 shall be payable upon completion of the acquisition. The Group also entered into a renovation agreement with an independent third party for renovation of a newly acquired hotel property in Japan for amount contracted but not provided for JPY123,768,000 (equivalent to HK\$7,847,000) (31 December 2014: Nil).

Contingent Liabilities

At 30 June 2015, the Company's corporate guarantees extended to a bank and an ESCO service provider as security for banking facilities and providing ESCO service respectively to the Group amounted to total HK\$63,501,000 (31 December 2014: HK\$168,072,000).

Deemed Disposal of Subsidiaries

With the listing of the shares of SiS Mobile on the HKSE on 15 January 2015,

- (a) an amount of HK\$23,519,000 was capitalised by the issuance of 235,190,000 ordinary shares of HK\$0.10 each from SiS Mobile to the Company;
- (b) 88,757,333 ordinary shares of SiS Mobile of HK\$0.10 each were declared by the Company as a special dividend by way of distribution in specie to the Company's qualifying shareholders; and
- (c) 44,800,000 ordinary shares of HK\$0.10 each were issued by SiS Mobile at HK\$0.82 per share to the public for a total gross proceeds of HK\$36,736,000.

With the issuance of SiS Mobile's shares to the public and the Company's qualifying shareholders, the Company's equity interest in SiS Mobile has been diluted from 100% to 52.30% and considered to be a deemed disposed. Although there is a reduction in the equity interest in SiS Mobile, the Company is still able to exercise control over SiS Mobile and the effect of the reduction in the Company's interest in SiS Mobile of HK\$17,558,000, being the difference between the fair value of consideration of HK\$30,521,000 (net of issue expense of HK\$6,215,000) and the non-controlling interest in SiS Mobile of HK\$48,079,000, has been recognised directly in reserves.

OTHER INFORMATION

Directors' Interests in Shares

At 30 June 2015, 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 (Note 1)	Corporate interests (Note 2)	Total number of issued ordinary shares held	Percentage of the issued share capital of the Company
Lim Kia Hong (Note 4)	5,771,108	504,000	-	178,640,000	184,915,108	66.67%
Lim Kiah Meng (Note 4)	5,403,200	450,000	534,000	178,640,000	185,027,200	66.71%
Lim Hwee Hai (Note 3)	3,331,200	3,579,158	-	-	6,910,358	2.49%
Lim Hwee Noi (Note 3, 4)	3,579,158	3,331,200	-	-	6,910,358	2.49%
Lee Hiok Chuan	150,000	-	-	-	150,000	0.05%
Ong Wui Leng	150,000	-	-	-	150,000	0.05%

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 the Company. Mr. Lim Kiah Meng and his spouse and Mr. Lim Kia Hong and his spouse together own 40.50% and 39.50%, respectively of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.
- (3) 3,331,200 shares and 3,579,158 shares are beneficially owned by Mr. Lim Hwee Hai and Madam Lim Hwee Noi respectively. Mr. Lim and Madam Lim are spouse, so they have deemed interest in their spouse's shares under the SFO.
- (4) In addition to the interests disclosed above, Mr. Lim Kiah Meng and Madam Lim Hwee Noi are trustees of an estate and are holding 304,000 shares on behalf of three beneficiaries aged below 18. Out of these 304,000 shares, 200,000 shares and 104,000 shares are beneficially owned by the children of Mr. Lim Kiah Meng and Mr. Lim Kia Hong respectively, and are included in the family interest of Mr. Lim Kiah Meng and Mr. Lim Kia Hong as disclosed above.

(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.

OTHER INFORMATION (cont'd)

Directors' Interests in Shares (cont'd)

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

Ordinary share of Baht 1 each of SiS Distribution (Thailand) Public Company Limited ("SiS THAI"), which is listed in the Stock Exchange of Thailand

Name of Director	Personal interests	Corporate interests (Note)	Total number of issued ordinary shares held in SiS THAI	Approximate % of issued share capital of SiS THAI
Lim Kia Hong	241,875	165,616,595	165,858,470	47.36%
Lim Hwee Hai	244,687	–	244,687	0.07%

Notes:

The Company indirectly holds 165,616,595 ordinary shares of the issued capital of SiS THAI. As disclosed in (i) above, Mr. Lim Kia Hong and his family has total interest of 66.67% in the Company, therefore Mr. Lim has deemed corporate interest in SiS THAI under the SFO.

(iv) *Long positions in the shares and underlying shares of subsidiaries of the Company*

(a) Ordinary share of HK\$0.10 each of SiS Mobile Holdings Limited ("SiS Mobile"), which is listed on the Main Board of the HKSE (Stock Code: 1362)

Name of Director	Personal Interests	Family Interests	Joint Interests (Note 1)	Corporate interests (Note 2 and 3)	Total number of issued ordinary shares held	Percentage of the issued share capital of SiS Mobile
Lim Kia Hong (Note 4)	1,846,754	161,280	–	203,607,467	205,615,501	73.43%
Lim Kiah Meng (Note 4)	1,729,024	144,000	170,880	203,607,467	205,651,371	73.45%
Lim Hwee Hai	1,065,984	1,145,330	–	–	2,211,314	0.79%

**OTHER INFORMATION (cont'd)****Directors' Interests in Shares (cont'd)****(iv) Long positions in the shares and underlying shares of subsidiaries of the Company (cont'd)**

- (a) Ordinary share of HK\$0.10 each of SiS Mobile, which is listed on the Main Board of the Stock Exchange (Stock Code: 1362) (cont'd)

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 Ltd. It is owned as to approximately 50.60% 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 SiS Mobile. Mr. Lim Kiah Meng and his spouse and Mr. Lim Kia Hong and his spouse together own 40.50% and 39.50%, respectively of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.
- (4) In addition to the interests disclosed above, Mr. Lim Kiah Meng and Madam Lim Hwee Noi are trustees of an estate and are holding 97,280 shares on behalf of three beneficiaries aged below 18. Out of these 97,280 shares, 64,000 shares and 33,280 shares are beneficially owned by the children of Mr. Lim Kiah Meng and Mr. Lim Kia Hong respectively, and are included in the family interests of Mr. Lim Kiah Meng and Mr. Lim Kia Hong as disclosed above.
- (b) Ordinary share of 10 Taka each of Information Technology Consultants Ltd. ("ITCL"), which is incorporated in Bangladesh

Name of Director	Corporate interests (Note)	Approximate % of issued share capital of ITCL
Lim Kiah Meng	40,059,390	53.41%

Notes:

A related corporation which is jointly owned by Mr. Lim Kiah Meng and his spouse hold 7,350,000 ordinary shares in ITCL, while the Company indirectly holds 32,709,390 ordinary shares. As disclosed in (i) above, Mr. Lim Kiah Meng and his family has total interest of 66.71% in the Company, therefore Mr. Lim has deemed corporate interest of 32,709,390 in ITCL under the SFO.

**OTHER INFORMATION (cont'd)****Directors' Interests in Shares (cont'd)****(v) Share options of SiS Mobile, a subsidiary of the Company**

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Outstanding at 30 June 2015
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 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
Lim Hwee Hai				
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 Noi				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	200,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	200,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	200,000
				<u>4,200,000</u>



SHARE OPTIONS

For details of the Company's share option scheme, please refer to note 37 to the consolidated financial statement and pages 22 to 23 in the 2014 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\$	Number of share options			Outstanding at 30 June 2015
				Outstanding at 1 January 2015	Granted during the period	Exercised during the period	
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	-	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	-	50,000	-	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	-	50,000	-	50,000
Lim Kiah Meng							
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	-	50,000	-	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	-	50,000	-	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	-	50,000	-	50,000
Lim Hwee Hai							
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	-	50,000	-	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	-	50,000	-	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	-	50,000	-	50,000
Lim Hwee Noi							
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	-	50,000	-	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	-	50,000	-	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	-	50,000	-	50,000
Lee HioK Chuan							
20.08.2007	21.08.2007-18.02.2009	18.02.2009-20.05.2017	1.72	83,333	-	(66,667)	16,666
20.08.2007	21.08.2007-18.02.2010	18.02.2010-20.05.2017	1.72	83,334	-	-	83,334
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	-	40,000	-	40,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	-	40,000	-	40,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	-	40,000	-	40,000

SHARE OPTIONS (cont'd)

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Number of share options			Outstanding at 30 June 2015
				Outstanding at 1 January 2015	Granted during the period	Exercised during the period	
Directors and their associates: (cont'd)							
Ong Wui Leng							
20.08.2007	21.08.2007-18.02.2009	18.02.2009-20.05.2017	1.72	27,778	-	(11,112)	16,666
20.08.2007	21.08.2007-18.02.2010	18.02.2010-20.05.2017	1.72	83,334	-	-	83,334
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	-	40,000	-	40,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	-	40,000	-	40,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	-	40,000	-	40,000
Ma Shiu Sun, Michael							
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	-	50,000	-	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	-	50,000	-	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	-	50,000	-	50,000
Total directors and their associates				<u>277,779</u>	<u>990,000</u>	<u>(77,779)</u>	<u>1,190,000</u>
Employees and other qualified persons							
20.08.2007	21.08.2007-18.02.2008	18.02.2008-20.05.2017	1.72	133,332	-	-	133,332
20.08.2007	21.08.2007-18.02.2009	18.02.2009-20.05.2017	1.72	233,334	-	(100,000)	133,334
20.08.2007	21.08.2007-18.02.2010	18.02.2010-20.05.2017	1.72	233,334	-	(100,000)	133,334
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	-	420,000	-	420,000
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	-	420,000	-	420,000
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	-	420,000	-	420,000
Total employees and other qualified persons				<u>600,000</u>	<u>1,260,000</u>	<u>(200,000)</u>	<u>1,660,000</u>
Total number of share options				<u>877,779</u>	<u>2,250,000</u>	<u>(277,779)</u>	<u>2,850,000</u>

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

The closing price of the Company's shares immediately before the date of grant of the share options was HK\$4.49.

The weighted average closing prices of the Company's shares immediately before the dates on which the share options were exercised were HK\$3.77 and HK\$3.75.

**SUBSTANTIAL SHAREHOLDERS**

As at 30 June 2015, 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	Personal Interests	Family Interests	Corporate Interests (Note 1)	Other interests (Note 2)	Total number of issued ordinary shares held (Note 3)	Percentage of the issued share capital of the Company
Yeo Seng Chong	700,000	1,220,000	13,050,000	-	14,970,000	5.40%
Lim Mee Hwa	1,220,000	700,000	13,050,000	-	14,970,000	5.40%
Yeoman Capital Management Pte. Ltd.	-	-	300,000	12,750,000	13,050,000	4.70%

Notes:

- (1) *Mr. Yeo Seng Chong and Madam Lim Mee Hwa are spouse so they have deemed interest in their spouse's shares under the SFO.*
- (2) *Mr. Yeo Seng Chong and Madam Lim Mee Hwa each have 50% direct interest in Yeoman Capital Management Pte. Ltd.*
- (3) *Yeoman Capital Management Pte. Ltd. holds the shares of the Company as an investment manager.*

Other than as 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 2015.



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 the HKSE (the “Listing Rules”) throughout the period ended 30 June 2015, except for the Code A.2.1, A.4.1 and A.4.2 as disclosed in page 11 of the Group’s 2014 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 2015, 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 2015.

On behalf of the Board of
SiS International Holdings Limited

LIM Kia Hong
Chairman and Chief Executive Officer

Hong Kong, 26 August 2015



CORPORATE INFORMATION

DIRECTORS

Executive Directors:

Lim Kia Hong (*Chairman and
Chief Executive Officer*)
Lim Kiah Meng (*Vice-chairman*)
Lim Hwee Hai
Lim Hwee Noi

Independent Non-executive Directors:

Lee Hiok Chun
Ong Wui Leng
Ma Shiu Sun, Michael

COMPANY SECRETARY

Chiu Lai Chun, Rhoda

REGISTERED OFFICE

Canon's Court
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Bermuda

PRINCIPAL PLACE OF BUSINESS

803
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00529

INVESTOR RELATIONS

www.sisinternational.com.hk
enquiry@sis.com.hk

AUDITORS

Deloitte Touche Tohmatsu

SOLICITORS

Cleary Gottlieb Steen & Hamilton (Hong Kong)

PRINCIPAL BANKERS

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
DBS Bank Ltd.
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
OCBC Bank
Sumitomo Mitsui Banking Corporation
Standard Chartered Bank (Hong Kong) Ltd.
The Tokyo Star Bank, Limited
United Overseas Bank Limited

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong