



SiS International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00529)



INTERIM REPORT 2016





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MESSAGE FROM THE CHAIRMAN AND CEO

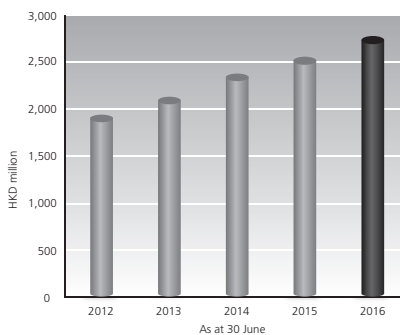
Dear Shareholders,

I am pleased to present the results of the Group for the six months ended 30 June 2016. Sales revenue for the period increased 7% to HK\$583,551,000. Total net profit for the period decreased to HK\$47,284,000 when compared with last interim period. Net assets value per share increased from HK\$9.37 to HK\$10.01.

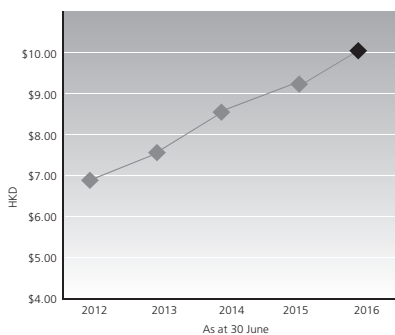
As the first half of the year draws to a close, we have made healthy progress with each of our businesses as we continue with our strategy of spotting and seizing the right opportunities at the right time.

Our mandate to build, grow and unlock the value behind our businesses and investments has seen headway – both in our real estate investment and investment businesses. Our distribution business remains stable despite a segment loss this first half year as a result of retail slowdown and intense market competition.

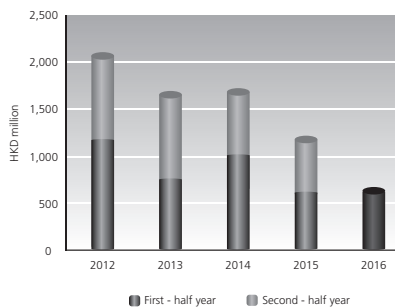
Shareholders' equity



Net assets value per share



Revenue





MESSAGE FROM THE CHAIRMAN AND CEO (cont'd)

BUSINESS REVIEW

Real Estate Investments Business

The momentum for our real estate investments continues to gain ground. Total revenue from Group's real estate investment portfolio for the period increased 11% to HK\$99 million and generated a segment profit of HK\$52 million (excluding gain from change in fair value) as compared to HK\$44 million in last interim period.

During the period, we acquired "SK Kashiwa Building" in Kashiwa City, Japan – a property which consists of a hotel, offices and car park lots – for a consideration of JPY5,963 million (equivalent to HK\$411 million). Coupled with the assets' appreciation in Japan and Hong Kong, the carrying value of the Group's real estate investment portfolio increased from HK\$2,795 million to HK\$3,574 million.

In June 2016, we also entered into a sales and purchase agreement to acquire a hotel property "Hotel Sun Plaza Sakai Annex" in Osaka, Japan at the consideration of JPY1,670 million (equivalent to HK\$126.4 million). The acquisition was completed on 6 July 2016.

Distribution Business

Hong Kong's retail sector has been facing headwinds over the recent quarters. As a result of intense competition in mobility products, offset by higher contribution from distribution of storage, networking and infrastructure products, sales revenue from mobile & IT distribution was maintained at HK\$485 million with a segment loss of HK\$10 million for the interim 2016.

Demand for storage, networking and infrastructure products is expected to be on an uptrend in the foreseeable future. In addition to the distribution of mobility products, we continue to acquire new products from world-renowned vendors and create value for vendors through our vast network of IT resellers, retailers and mobile operators.

Investment in IT, Securities and Other Businesses

Our associated company, SiS Distribution (Thailand) Public Company Limited continued to perform strongly during the period, and contributed HK\$12 million to the Group. This represents an increase of 47% as compared with last interim period.

Over in Bangladesh, the economy continues to grow and electronic payment companies continue to expand their businesses globally. As such, we believe electronics & mobile payment business will gain momentum in Bangladesh and open up new opportunities for the Group with dual-listed Information Technology Consultants Limited ("ITCL"). ITCL is a leading consultant and provider of financial services, payment gateway, ATM, mobile payments & banking solutions in the rapidly evolving area of electronic payments, mobile payment, e-commerce, m-commerce and internet banking, successfully listed on two Stock Exchanges in Bangladesh in January 2016.

The Group's Investment Business includes investment in securities of listed corporations, as well as securities in unlisted companies for a mid to long-term period. During the 2016 interim period, the Group disposed of two investments engaged in IT distribution and medical technology respectively, which contributed a total profit of HK\$2.6 million.

On this front, we will continue to seek and explore investment opportunities to further strengthen our existing investment portfolio.



MESSAGE FROM THE CHAIRMAN AND CEO (cont'd)

PROSPECT

Following the unprecedented Brexit referendum earlier this year, we expect more uncertainty slated for the near future. Despite the challenges and unstable global economic outlook, we believe that new opportunities lie within every challenge.

As such, we will continue with the momentum on our transformation to build a dynamic group with key interests in Real Estate, Distribution, Investment and Asset Management.

We have built a world class distribution company in Asia since our founding in 1983, and as we continue to evolve and transform, we will cautiously move ahead with confidence.

APPRECIATION

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

On behalf of the Board of
SiS International Holdings Limited

LIM Kia Hong
Chairman & Chief Executive Officer

Hong Kong, 23 August 2016



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 2016 together with comparative figures for the corresponding period in 2015. 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 2016

		Six months ended	
		30 June	30 June
		2016	2015
	NOTES	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	583,551	579,618
Cost of sales		<u>(503,689)</u>	<u>(494,741)</u>
Gross profit		79,862	84,877
Other income		4,165	2,404
Other gains and losses	4	(22,599)	1,690
Distribution costs		(15,106)	(14,183)
Administrative expenses		(49,158)	(47,913)
Gain from changes in fair value of investment properties		60,263	46,139
Share of results of associates		11,835	7,868
Finance costs		<u>(12,797)</u>	<u>(10,355)</u>
Profit before tax		56,465	70,527
Income tax expense	5	<u>(9,181)</u>	<u>(2,371)</u>
Profit for the period	6	<u>47,284</u>	<u>68,156</u>
Profit for the period attributable to:			
Owners of the Company		34,901	67,630
Non-controlling interests		<u>12,383</u>	<u>526</u>
		<u>47,284</u>	<u>68,156</u>
EARNINGS PER SHARE	7		
- Basic (HK cents)		<u>12.6</u>	<u>24.4</u>
- Diluted (HK cents)		<u>12.6</u>	<u>24.4</u>

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

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Six months ended	
	30 June 2016 HK\$'000 (unaudited)	30 June 2015 HK\$'000 (unaudited)
Profit for the period	<u>47,284</u>	<u>68,156</u>
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
(Loss) gain on fair value change of available-for-sale investments	(1,349)	11,316
Exchange realignment arising on translation of foreign operations	<u>79,061</u>	<u>(10,466)</u>
Other comprehensive income for the period	<u>77,712</u>	<u>850</u>
Total comprehensive income for the period	<u>124,996</u>	<u>69,006</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	111,291	68,486
Non-controlling interests	<u>13,705</u>	<u>520</u>
	<u>124,996</u>	<u>69,006</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AT 30 JUNE 2016

		30 June 2016	31 December 2015
	NOTES	HK\$'000 (unaudited)	HK\$'000 (audited)
Non-current assets			
Investment properties	9	3,573,637	2,795,026
Property, plant and equipment	9	144,862	144,510
Interests in associates		254,059	247,279
Available-for-sale investments		113,793	93,821
		<u>4,086,351</u>	<u>3,280,636</u>
Current assets			
Inventories		78,570	86,572
Trade and other receivables, deposits and prepayments	10	156,397	104,660
Amount due from a joint venture		250	2,339
Amounts due from associates		3,157	3,185
Tax recoverable		393	393
Investments held-for-trading		13,545	11,913
Pledged deposits		325,517	455,029
Bank balances and cash		591,007	389,916
		<u>1,168,836</u>	<u>1,054,007</u>
Current liabilities			
Trade payables, other payables and accruals	11	132,951	106,989
Dividend payable		8,327	–
Obligations under finance leases	12	4,361	3,655
Derivative financial instruments	13	31,472	5,528
Tax payable		16,173	16,560
Rental deposits		27,304	14,108
Bank loans	14	994,062	945,272
Bonds		18,817	–
		<u>1,233,467</u>	<u>1,092,112</u>
Net current liabilities		<u>(64,631)</u>	<u>(38,105)</u>
Total assets less current liabilities		<u>4,021,720</u>	<u>3,242,531</u>

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

AT 30 JUNE 2016

		30 June 2016	31 December 2015
	NOTES	HK\$'000 (unaudited)	HK\$'000 (audited)
Non-current liabilities			
Bank loans	14	790,304	343,017
Bonds		229,838	131,543
Obligations under finance leases	12	38,551	34,669
Deferred tax liabilities		74,415	58,370
Rental deposits		109,309	75,769
		<u>1,242,417</u>	<u>643,368</u>
Net assets		<u>2,779,303</u>	<u>2,599,163</u>
Capital and reserves			
Share capital	15	27,757	27,747
Share premium		72,533	72,313
Reserves		29,059	(47,933)
Retained profits		<u>2,521,429</u>	<u>2,494,855</u>
Equity attributable to owners of the Company		2,650,778	2,546,982
Non-controlling interests		<u>128,525</u>	<u>52,181</u>
Total equity		<u>2,779,303</u>	<u>2,599,163</u>



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Share capital HK\$'000	Share premium HK\$'000	Investments reserve HK\$'000	Translation reserve HK\$'000	Property revaluation reserve HK\$'000	Contributed surplus HK\$'000 (note 1)	Share options reserve HK\$'000	Other reserve HK\$'000 (note 2)	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2015 (audited)	27,709	71,488	36,729	(32,295)	933	2,860	490	-	2,268,044	2,375,958	75,282	2,451,240
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 (Note 20)	-	-	-	-	-	-	-	(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)	27,737	72,093	48,045	(42,755)	933	2,860	380	(17,558)	2,321,801	2,413,536	124,668	2,538,204
At 1 January 2016 (audited)	27,747	72,313	10,504	(46,815)	933	2,860	2,143	(17,558)	2,494,855	2,546,982	52,181	2,599,163
Profit for the period	-	-	-	-	-	-	-	-	34,901	34,901	12,383	47,284
Other comprehensive income (expense) for the period	-	-	(1,349)	77,739	-	-	-	-	-	76,390	1,322	77,712
Total comprehensive income (expense) for the period	-	-	(1,349)	77,739	-	-	-	-	34,901	111,291	13,705	124,996
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	-	-	61,296	61,296
Dividend declared (Note 8)	-	-	-	-	-	-	-	-	(8,327)	(8,327)	-	(8,327)
Issue of shares upon exercise of share options	10	220	-	-	-	-	(58)	-	-	172	-	172
Recognition of equity settled share-based payment	-	-	-	-	-	-	660	-	-	660	1,343	2,003
At 30 June 2016 (unaudited)	27,757	72,533	9,155	30,924	933	2,860	2,745	(17,558)	2,521,429	2,650,778	128,525	2,779,303

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 Holdings 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 2016

	Six months ended	
	30 June	30 June
	2016	2015
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash from operating activities	36,501	19,372
Investing activities		
Dividend received from associates	10,887	7,817
Withdrawal of pledged deposits	129,512	39,889
Purchase of available-for-sale investments	(27,796)	(6,630)
Purchase of investments held-for-trading	(330)	(315)
Purchase of investment properties	(464,978)	(173,885)
Purchase of intangible assets	–	(4,859)
Purchase of property, plant and equipment	(1,794)	(1,566)
Deposits paid for acquisition of investment property and property, plant and equipment	–	(63,346)
Other investing cash flows	(4,607)	9,055
Net cash used in investing activities	(359,106)	(193,840)
Financing activities		
New bank loans raised	770,419	218,975
Net proceeds from offer for sale of SIS Mobile's shares to non-controlling shareholders	–	30,521
Repayment of bank loans	(429,145)	(17,316)
Repayment of bank overdrafts	–	(3,167)
Proceeds on issue of shares	172	478
Proceeds from issue of bonds	94,030	31,783
Contribution from non-controlling interest	61,296	–
Repayment of bonds	–	(63)
Repayment of finance leases	(2,136)	–
Net cash from financing activities	494,636	261,211
Net increase in cash and cash equivalents	172,031	86,743
Cash and cash equivalents at 1 January	389,916	327,583
Effect of foreign exchange rate changes	29,060	(4,117)
Cash and cash equivalents at 30 June, represented by bank balances and cash	591,007	410,209



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

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”).

The Group reported net current liabilities of HK\$64,631,000 as at 30 June 2016 (31 December 2015: HK\$38,105,000). The net current liabilities arose mainly from the long-term bank borrowings (with maturity dates over one year) amounting to HK\$122,960,000 (31 December 2015: HK\$125,817,000) being reclassified as current liabilities as at 30 June 2016 due to the overriding right of demand clause as stipulated in the facility agreement of the bank borrowings.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in these condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015 except as described below.

In the current period, the Group has applied the following amendments to the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are mandatorily effective for an accounting period that begins on or after 1 January 2016:

- | | |
|--|--|
| • Amendments to HKFRS 11 | Accounting for Acquisitions of Interests in Joint Operations |
| • Amendments to HKAS 1 | Disclosure Initiative |
| • Amendments to HKAS 16 and HKAS 38 | Clarification of Acceptable Methods of Depreciation and Amortisation |
| • Amendments to HKFRSs | Annual Improvements to HKFRSs 2012 – 2014 Cycle |
| • Amendments to HKAS 16 and HKAS 41 | Agriculture: Bearer Plants |
| • Amendments to HKAS 27 | Equity Method in Separate Financial Statements |
| • Amendments to HKFRS 10, HKFRS 12 and HKAS 28 | Investment Entities: Applying the Consolidation Exception |

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



3. SEGMENT INFORMATION

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

	Distribution of mobile and IT products <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2016 (unaudited)				
<i>Segment revenue</i>				
External sales	<u>484,836</u>	<u>98,715</u>	<u>–</u>	<u>583,551</u>
<i>Segment (loss) profit</i>	<u>(10,207)</u>	<u>112,534</u>	<u>4,322</u>	<u>106,649</u>
Share of results of associates				11,835
Finance costs				(12,797)
Other unallocated income				1,542
Unallocated corporate expenses				<u>(50,764)</u>
Profit before tax				<u>56,465</u>

	Distribution of mobile and IT products <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2015 (unaudited) – restated				
<i>Segment revenue</i>				
External sales	<u>490,762</u>	<u>88,856</u>	<u>–</u>	<u>579,618</u>
<i>Segment profit</i>	<u>4,057</u>	<u>90,002</u>	<u>305</u>	<u>94,364</u>
Share of results of associates				7,868
Finance costs				(10,355)
Other unallocated income				980
Unallocated corporate expenses				<u>(22,330)</u>
Profit before tax				<u>70,527</u>

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



4. OTHER GAINS AND LOSSES

	Six months ended	
	30 June 2016 HK\$'000 (unaudited)	30 June 2015 HK\$'000 (unaudited)
Other gains and losses comprises:		
Change in fair value of derivative financial instruments	(41,633)	4,294
Exchange gain (loss), net	15,106	(2,465)
Change in fair value of investments held-for-trading	1,302	(121)
Gain on disposal of available-for-sale investments	2,614	-
Loss on disposal of property, plant and equipment	(11)	(18)
Others	23	-
	<u>(22,599)</u>	<u>1,690</u>

5. INCOME TAX EXPENSE

	Six months ended	
	30 June 2016 HK\$'000 (unaudited)	30 June 2015 HK\$'000 (unaudited)
The charge comprises:		
Hong Kong Profits Tax		
Current period	-	647
Overseas Tax		
Current period	132	-
Underprovision in respect of prior periods	-	56
Withholding tax on paid dividend income	1,954	1,404
	<u>2,086</u>	<u>1,460</u>
Deferred tax	<u>7,095</u>	<u>264</u>
Income tax expense for the period	<u>9,181</u>	<u>2,371</u>

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.

Pursuant to relevant laws and regulation in Japan, withholding tax is imposed at 20.42% and 5% on dividends paid to local investors and foreign investors respectively in respect of profit earned by Japanese subsidiaries.



6. PROFIT FOR THE PERIOD

	Six months ended	
	30 June	30 June
	2016	2015
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<hr/>		

Profit for the period has been arrived at after charging and (crediting):

Allowance for doubtful debts	378	–
Allowance for inventories, net	6,847	2,674
Amortisation of intangible assets	–	2,900
Cost of inventories recognised in cost of sales	488,990	455,594
Depreciation of property, plant and equipment	1,475	5,155
Share of tax expense of associates	1,435	2,943
Interest income on bank deposits	(835)	(1,433)
	<hr/>	<hr/>

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the Group's profit of HK\$34,901,000 (six months ended 30 June 2015: HK\$67,630,000) and the number of ordinary shares calculated below.

	Six months ended	
	30 June	30 June
	2016	2015
	'000 shares	'000 shares
	(unaudited)	(unaudited)
<hr/>		
Number of ordinary shares for the purpose of basic earnings per share	277,468	277,358
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	138	321
	<hr/>	<hr/>
Number of ordinary shares for the purpose of diluted earnings per share	277,606	277,679

The computation of diluted earnings per share for the six months ended 30 June 2016 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 periods.



8. DIVIDENDS

	Six months ended	
	30 June 2016 HK\$'000 (unaudited)	30 June 2015 HK\$'000 (unaudited)
Final dividend, payable in respect of the year ended 31 December 2015 of 3.0 HK cents per share (2015: 5.0 HK cents per share in respect of the year ended 31 December 2014)	8,327	13,873

The directors do not recommend the payment of interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

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

The Group's investment properties as at 30 June 2016 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 capitalisation of the net income with due allowance for outgoings and provisions for reversionary income potential.

During the period, the Group spent approximately HK\$1,794,000 (six months ended 30 June 2015: HK\$1,566,000) and HK\$464,978,000 (six months ended 30 June 2015: HK\$173,885,000) 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\$86,582,000 (31 December 2015: HK\$75,307,000). 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 2016 HK\$'000 (unaudited)	31 December 2015 HK\$'000 (audited)
Within 30 days	38,752	44,923
31 to 90 days	32,365	23,322
91 to 120 days	11,011	3,793
Over 120 days	4,454	3,269
	86,582	75,307

The Group maintains a defined credit policy. For sale of mobile and IT products, the Group allows an average credit period of 30 to 60 days to its trade customers. No credit period is granted to customers for renting of properties. Rent is payable in advance on presentation of a demand note. No interest is charged on overdue debts.

**11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS**

Included in trade payables, other payables and accruals are trade payables of HK\$32,552,000 (31 December 2015: HK\$21,895,000). The following is an analysis of trade payables by age, presented based on the invoice date.

	30 June 2016 HK\$'000 (unaudited)	31 December 2015 HK\$'000 (audited)
Within 30 days	31,410	20,402
31 to 90 days	801	1,185
91 to 120 days	18	-
Over 120 days	323	308
	32,552	21,895

The average credit period pertaining to purchase of goods is 15 to 45 days.

12. OBLIGATIONS UNDER FINANCE LEASES

	30 June 2016 HK\$'000 (unaudited)	31 December 2015 HK\$'000 (audited)
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Analysed for reporting purposes as:

Current liabilities	4,361	3,655
Non-current liabilities	38,551	34,669
	42,912	38,324

In prior year, the Group acquired an equipment under finance leases with a lease term of 10 years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 2.80% to 3.56%.

**13. DERIVATIVE FINANCIAL INSTRUMENTS**

	30 June 2016 HK\$'000 (unaudited)	31 December 2015 HK\$'000 (audited)
Financial liabilities		
Foreign currency forward contracts	31,472	5,528

The terms of the foreign currency forward contracts are listed out as below:

At 30 June 2016 (unaudited)

Buy	Sell	Maturity	Contract rates
USD19,000,000	JPY2,319,030,000	8 July to 8 February 2017	JPY117.30 to JPY125.43
USD1,000,000	CNY6,725,000	12 August 2016	CNY6.725
USD7,000,000	THB260,320,000	4 August to 11 August 2016	THB36.8 to 37.6

At 31 December 2015 (audited)

Buy	Sell	Maturity	Contract rates
USD34,000,000	JPY4,136,060,000	8 January to 3 October 2016	JPY117.07 to JPY125.43
USD1,000,000	CNY6,725,000	12 August 2016	CNY6.725
USD7,000,000	THB260,320,000	4 August to 11 August 2016	THB36.8 to THB37.6

14. BANK LOANS

During the current interim period, the Group repaid bank loans of HK\$429,145,000 (six months ended 30 June 2015: HK\$17,316,000) and obtained new short-term bank loans amounting to HK\$770,419,000 (six months ended 30 June 2015: HK\$218,975,000).

15. 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 2015 (audited)	277,088,887	27,709
Exercise of share options	377,779	38
At 31 December 2015 (audited)	277,466,666	27,747
Exercise of share options	100,000	10
At 30 June 2016 (unaudited)	277,566,666	27,757

**16. 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:

Qualified persons	Outstanding at 1 January 2016 (audited)	Exercised during the period	Outstanding at 30 June 2016 (unaudited)
Directors	1,090,000	(100,000)	990,000
Employees and others	1,660,000	–	1,660,000
	2,750,000	(100,000)	2,650,000

The weighted average closing price of the Company's shares immediately before the date on which the options were exercised was HK\$3.91.

No options were granted, lapsed or forfeited during the period ended 30 June 2016.

During prior 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.

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

**16. SHARE-BASED PAYMENTS (cont'd)****(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.

	Outstanding at 31 December 2015 (audited) & 30 June 2016 (unaudited) HK\$
Directors	6,390,000
Employees and others	1,500,000
	7,890,000

No options were granted, exercised, lapsed or forfeited during the period ended 30 June 2016.

During prior 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.



17. PLEDGE OF ASSETS

At the end of the reporting period,

- (a) The Group's investment properties with carrying values of HK\$3,350,160,000 (31 December 2015: HK\$2,288,456,000) were charged to secure general banking facilities available to the Group.
- (b) Bank deposits of HK\$325,517,000 (31 December 2015: HK\$455,029,000) were pledged to secure the Group's bank loans.
- (c) Certain shares of subsidiaries have been pledged to the banks as at 30 June 2016 and 31 December 2015 to secure several banking facilities available to the Group.
- (d) Rental assignments over certain investment properties of the Group were under legal charge to secure general banking facilities available to the Group.

18. RELATED PARTY TRANSACTIONS

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

	<u>Associates</u>		<u>Joint venture</u>		<u>Related companies (Note)</u>	
	Six months ended		Six months ended		Six months ended	
	30 June	30 June	30 June	30 June	30 June	30 June
	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of goods	-	-	-	310	-	761
Purchase of goods	-	-	-	753	-	-
Income from management service	1,231	1,303	-	-	-	-
Operating lease rental expense	-	-	-	-	-	396
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>396</u>

Note: 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 2016 was HK\$12,019,000 (six months ended 30 June 2015: HK\$11,108,000).



19. COMMITMENTS

During the period, the Group entered into a sales and purchase agreement with an independent third party to acquire the trust beneficial interest of a hotel property in Osaka, Japan for a consideration of JPY1,670,000,000 (equivalent to HK\$126,419,000). The acquisition was completed on 6 July 2016.

During the period, the Group entered into a sales and purchase agreement with an independent third party to acquire a piece of land and building in Hokkaido, Japan for a consideration of JPY495,714,000 (equivalent to HK\$37,526,000). Initial deposit of JPY25,000,000 (equivalent to HK\$1,893,000) has been paid while the remaining balance of JPY470,714,000 (equivalent to HK\$35,633,000) shall be payable upon completion of the acquisition on 31 October 2016.

20. DEEMED DISPOSAL OF A SUBSIDIARY

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\$0.1 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 disposal. 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.

**21. 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 2016 (unaudited)

	Fair value hierarchy		Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	
Listed securities classified as investments held-for-trading	13,545	–	13,545
Listed securities classified as available-for-sale investments	14,591	–	14,591
Derivative financial instruments – Foreign currency forward contracts	–	(31,472)	(31,472)
Total	28,136	(31,472)	(3,336)

**21. 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)**

At 31 December 2015 (audited)

	Fair value hierarchy		Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	
Listed securities classified as investments held-for-trading	11,913	–	11,913
Listed securities classified as available-for-sale investments	22,517	–	22,517
Derivative financial instruments – Foreign currency forward contracts	–	(5,528)	(5,528)
Total	34,430	(5,528)	28,902

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 2016.

(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 to their fair values.



INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

FINANCIAL REVIEW AND ANALYSIS

Liquidity and Financial Resources

As at 30 June 2016, the Group had total assets of HK\$5,255,187,000 which were financed by total equity of HK\$2,779,303,000 and total liabilities of HK\$2,475,884,000. The Group had current ratio of approximately 0.95 compared to that of approximately 0.97 at 31 December 2015.

As at 30 June 2016 the Group had HK\$916,524,000 (31 December 2015: HK\$844,945,000) bank deposits balances and cash of which HK\$325,517,000 (31 December 2015: HK\$455,029,000) was pledged to banks to secure bank borrowings. The Group's working capital requirements were mainly financed by internal resources, bank loans and bonds. As at 30 June 2016, the Group had short term loans and bonds of total HK\$1,012,879,000 (31 December 2015: HK\$945,272,000) and long term loans and bonds of HK\$1,020,142,000 (31 December 2015: HK\$474,560,000). The borrowings were mainly denominated in Japanese Yen and Hong Kong Dollars and were charged by banks at floating interest rate.

At the end of June 2016, the Group had a net cash deficit (total bank borrowings and bonds less bank balances and cash and pledged deposits) of HK\$1,116,497,000 (31 December 2015: HK\$574,887,000).

Gearing ratio, as defined by total bank borrowings and bonds to total equity as at 30 June 2016 was 73% (31 December 2015: 55%).

Charges on Group Assets

As at 30 June 2016, the Group had pledged deposits of HK\$325,517,000 (31 December 2015: HK\$455,029,000) and investment properties with carrying value of HK\$3,350,160,000 (31 December 2015: HK\$2,288,456,000) were pledged to banks to secure general banking facilities granted to the Group and for purchase of investment properties. Certain shares of subsidiaries have been pledged to the banks as at 31 December 2015 and 30 June 2016 to secure several banking facilities available to the Group.



FINANCIAL REVIEW AND ANALYSIS (cont'd)

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

The number of staff of the Group as at 30 June 2016 was 95 (30 June 2015: 341) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments, amounted to HK\$22,006,000 (30 June 2015: HK\$18,618,000). 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 2016, share options of 100,000 have been exercised and the weighted average closing share prices immediate before the dates of exercise of the share options were HK\$3.91. The Group's remuneration policy is to relate performance with compensation. The Group's salary and discretionary bonus system is reviewed annually. There are no significant changes in staff remuneration policies from last year.

Currency Risk Management

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 2016, the Group had notional amount HK\$210,600,000 outstanding forward contracts (31 December 2015: HK\$327,600,000).

Capital Expenditure

During the period, the Group spent approximately HK\$1,794,000 (six months ended 30 June 2015: HK\$1,566,000) and HK\$464,978,000 (six months ended 30 June 2015: HK\$173,885,000) on the acquisition of property, plant and equipment and investment properties respectively.

During the period, the Group has entered into a sales and purchase agreement with an independent third party to acquire the trust beneficial interest of a hotel property in Osaka, Japan for a consideration of JPY 1,670,000,000 (equivalent to HK\$126,419,000). The acquisition was completed on 6 July 2016.

During the period, the Group has entered into a sales and purchase agreement with an independent third party to acquire a piece of land and building in Hokkaido, Japan for a consideration of JPY495,714,000 (equivalent to HK\$37,526,000). Initial deposit of JPY25,000,000 (equivalent to HK\$1,893,000) has been paid while the remaining balance of JPY470,714,000 (equivalent to HK\$35,633,000) shall be payable upon completion of the acquisition on 31 October 2016.

Contingent Liabilities

At 30 June 2016, the Company's corporate guarantees extended to two banks as security for banking facilities to the Group amounted to total HK\$229,000,000 (31 December 2015: HK\$229,000,000).

**OTHER INFORMATION****Directors' Interests in Shares**

At 30 June 2016, 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	66.62%
Lim Kiah Meng (Note 4)	5,403,200	450,000	534,000	178,640,000	185,027,200	66.66%
Lim Hwee Hai (Note 3)	4,493,200	4,751,158	-	-	9,244,358	3.33%
Lim Hwee Noi (Note 3, 4)	4,751,158	4,493,200	-	-	9,244,358	3.33%
Lee Hiok Chuan	250,000	-	-	-	250,000	0.09%
Ong Wui Leng	250,000	-	-	-	250,000	0.09%

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) 4,493,200 shares and 4,751,158 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 a subsidiary of the Company**

Ordinary share of HK\$0.10 each of 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 5)	1,846,754	161,280	-	203,607,467	205,615,501	73.43%
Lim Kiah Meng (Note 5)	1,729,024	144,000	170,880	203,607,467	205,651,371	73.45%
Lim Hwee Hai (Note 4)	1,065,984	1,145,330	-	-	2,211,314	0.79%
Lim Hwee Noi (Note 4,5)	1,145,330	1,065,984	-	-	2,211,314	0.79%
Lee Hiok Chuan	64,000	-	-	-	64,000	0.02%
Ong Wui Leng	64,000	-	-	-	64,000	0.02%

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 50.57% 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) 1,065,984 shares and 1,145,330 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.
- (5) 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.

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

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Number of share option Outstanding at 30 June 2016
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
				4,200,000

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

- (a) 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 66.62% in the Company, therefore Mr. Lim has deemed corporate interest in SiS THAI under the SFO.

- (b) Ordinary share of 10 Taka each of Information Technology Consultants Ltd. ("ITCL"), which is incorporated in Bangladesh, and is listed in The Dhaka Stock Exchange and The Chittagong Stock Exchange on 10 January 2016 (DSE stock code: ITC, CSE stock code: ITC).

Name of Director	Corporate interests (Note)	Approximate % of issued share capital of ITCL
Lim Kiah Meng	40,059,390	46.05%

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 66.66% in the Company, therefore Mr. Lim has deemed corporate interest of 32,709,390 in ITCL under the SFO.

Other than as disclosed above, none of the directors, nor their associates, had any interests or short position in any shares and underlying shares or debentures of the Company or any of its associated corporations at 30 June 2016.



OTHER INFORMATION (cont'd)

SHARE OPTIONS

For details of the Company's share option scheme, please refer to note 40 to the consolidated financial statement and pages 24 to 27 in the 2015 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 1 January 2016	Exercised during the period	Outstanding at 30 June 2016
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	21.08.2007-18.02.2010	18.02.2010-20.05.2017	1.72	50,000	(50,000)	-
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



OTHER INFORMATION (cont'd)

SHARE OPTIONS (cont'd)

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Number of share options		
				Outstanding at 1 January 2016	Exercised during the period	Outstanding at 30 June 2016
Directors and their associates: (cont'd)						
Ong Wui Leng						
20.08.2007	21.08.2007-18.02.2010	18.02.2010-20.05.2017	1.72	50,000	(50,000)	-
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				1,090,000	(100,000)	990,000
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	133,334	-	133,334
20.08.2007	21.08.2007-18.02.2010	18.02.2010-20.05.2017	1.72	133,334	-	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				1,660,000	-	1,660,000
Total number of share options				2,750,000	(100,000)	2,650,000

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

The weighted average closing price of the Company's shares immediately before the dates on which the share options were exercised was HK\$3.91.



OTHER INFORMATION (cont'd) SUBSTANTIAL SHAREHOLDERS

As at 30 June 2016, other than the interests disclosed above in respect of Directors and chief executives, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO and 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 (Note 1)	Corporate Interests (Note 2)	Other interests (Note 3)	Total number of issued ordinary shares held	Percentage of the issued share capital of the Company
Yeo Seng Chong	700,000	1,220,000	13,050,000	–	14,970,000	5.39%
Lim Mee Hwa	1,220,000	700,000	13,050,000	–	14,970,000	5.39%
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.



OTHER INFORMATION (cont'd)

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 2016, except for the Code A.2.1, A.4.1 and A.4.2 as disclosed in page 11 and 12 of the Group's 2015 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 2016, 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 2016.

On behalf of the Board of
SiS International Holdings Limited

LIM Kia Hong
Chairman and Chief Executive Officer

Hong Kong, 23 August 2016



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 Chuan
Ong Wui Leng
Ma Shiu Sun, Michael

COMPANY SECRETARY

Chiu Lai Chun, Rhoda

REGISTERED OFFICE

Canon's Court
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Hamilton HM 12
Bermuda

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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 REGISTRAR 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