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## SiS Mobile Holdings Limited

新龍移動集團有限公司\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1362)

### SUPPLEMENTAL ANNOUNCEMENT TO 2019 ANNUAL REPORT AND CHANGE IN USE OF PROCEEDS

Reference is made to (i) the prospectus of SiS Mobile Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) dated 31 December 2014 (the “Prospectus”) in relation to the listing (the “Listing”) of shares of the company on Main Board of the Stock Exchange of Hong Kong Limited; and (ii) the annual report of the Company for the year ended 31 December 2019 (the “2019 Annual Report”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Prospectus and the 2019 Annual Report.

The net proceeds from the Listing, after deducting the underwriting fees and other expenses relating to the Listing, amounted to approximately HK\$4.7 million (the “Net Proceeds”). As disclosed in the 2019 Annual Report, an accumulated amount of approximately HK\$0.4 million out of the Net Proceeds had been utilized by the Group in accordance with the planned use of proceeds set out in the Prospectus. The unutilized Net Proceeds amounted to approximately HK\$4.3 million (the “Unutilised Net Proceeds”).

In addition to the information disclosed in the 2019 Annual Report, the Board of the Company would like to provide the following supplemental information to the paragraph headed “Use of proceeds obtained from initial public offering” under the section “Directors’ Report”. Details of the use of the Net Proceeds as at 31 December 2019 and the reasons of postponement in using the Net Proceeds are as follows:

Planned use of Net Proceeds		Planned amount	As at 31.12.2019	
			Accumulated used amount	Unutilised Net Proceeds
	%	HK\$000	HK\$000	HK\$000
1. Upgrade information system	11.0%	519	-	519
2. Acquisition of property	79.7%	3,760	-	3,760
3. General working capital	9.3%	439	(439)	-
	100.0%	4,718	(439)	4,279

\* For identification purposes only

The reason for postponement in using the Net Proceeds is due to the Group's reassessment of changing customers' consumption patterns. Consequently, rather than acquiring a new ERP system, the Company considers that its business needs would be better met by upgrading its existing information system including online e-commerce. At the same time, the property market in Hong Kong has moved upward continuously since the Listing. Property prices of commercial and industrial buildings remained high and the Group has difficulty in identifying properties for purchase at a reasonable price.

## CHANGE IN USE OF NET PROCEEDS

The planned use of Net Proceeds from the Listing as disclosed in the Prospectus was based on the best estimation made by the Group in relation to the then future market conditions as at the latest practicable date of the Prospectus, while the Net Proceeds would be applied in accordance with the actual development of the market from time to time.

Since the occurrence of social events in Hong Kong in 2019 and after the outbreak of Covid-19 pandemic in 2020, the global market and business environment in Hong Kong have changed dramatically. The Board considered that the Group needs to adopt a more effective policy to develop its existing business operations in responding to the economic uncertainties and market conditions after the Covid-19 pandemic evolved rapidly globally, given its significant and continuing impact on the global economic and financial markets.

In light of the current market conditions, the Board has resolved that it would be in the best interest of the Company and its shareholders to reallocate the Unutilised Net Proceeds which was originally assigned for acquisition of property to general working capital to meet the Group's business development and allow the Group to deploy its financial resources to cope with the economic uncertainties in the future.

The table below sets out the original allocation of Net Proceeds, the revised position after change in use and expected timeline for utilising of the Unutilised Net Proceeds:

Planned use of Net Proceeds	As at 31.12.2019 and 30.6.2020				Expected timeline for utilisation
	Planned amount	Accumulated used amount	Unutilised Net Proceeds	Reallocation of Unutilised Net Proceeds	
	HK\$000	HK\$000	HK\$000	HK\$000	
1. Upgrade information system	519	-	519	519	31.12.2021
2. Acquisition of property	3,760	-	3,760	-	-
3. General working capital	439	(439)	-	3,760	31.12.2020
	<u>4,718</u>	<u>(439)</u>	<u>4,279</u>	<u>4,279</u>	

The expected timeline for using the Unutilised Net Proceeds is based on the best estimation of the present and future business market situations made by the Board, and it will be subject to changes based on the future development of market conditions.

The Board confirms that the above supplemental information does not affect the other information in the 2019 Annual Report and the remaining contents in the 2019 Annual Report remain unchanged.

On behalf of the Board of  
**SIS MOBILE HOLDINGS LIMITED**  
**Lim Kia Hong**  
*Chairman*

Hong Kong, 27 August 2020

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