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This announcement, for which the directors of Sage International Group Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Sage International Group Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

SAGE INTERNATIONAL GROUP LIMITED
仁智國際集團有限公司

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8082)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

The board of directors (the "Directors") presents the consolidated results of Sage International Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2017, together with the comparative figures for the year ended 31 December 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
REVENUE	*5*	**94,497**	16,287
Cost of sales		**(62,643)**	(6,298)
Gross profit		**31,854**	9,989
Other income and gains	*5*	**5,277**	5,173
Selling, marketing and distribution expenses		**(7,168)**	(3,938)
General and administrative expenses		**(24,820)**	(29,147)
Other expenses		**(23,651)**	–
LOSS BEFORE TAX	*6*	**(18,508)**	(17,923)
Income tax expense	*7*	**(1,401)**	(291)
LOSS FOR THE YEAR		**(19,909)**	(18,214)
Attributable to:			
Owners of the Company		**(19,641)**	(17,293)
Non-controlling interests		**(268)**	(921)
		(19,909)	(18,214)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*9*		
Basic and diluted *(HK cents)*		**(1.9)**	(2.2)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	2017	2016
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(19,909)**	(18,214)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**790**	(600)
Lapse of option deed	**–**	(19)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**790**	(619)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(19,119)**	(18,833)
Attributable to:		
Owners of the Company	**(19,108)**	(17,922)
Non-controlling interests	**(11)**	(911)
	(19,119)	(18,833)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

	Notes	**2017** **HK$'000**	2016 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**17,887**	18,622
Intangible assets		**11,413**	10,486
Investment in a film right		**7,769**	7,769
Deposits		**108**	450
Total non-current assets		**37,177**	37,327
CURRENT ASSETS			
Inventories		**57**	294
Film and drama under production		**4,759**	–
Investments in concert and film production projects		**34,386**	–
Other investments		**–**	3,254
Trade receivables	*10*	**857**	1,993
Prepayments, deposits and other receivables		**8,946**	444
Cash and cash equivalents		**28,977**	22,615
Total current assets		**77,982**	28,600
CURRENT LIABILITIES			
Trade payables, other payables and accruals	*11*	**5,699**	6,447
Deferred income		**1,229**	312
Tax payable		**7,916**	6,076
Total current liabilities		**14,844**	12,835
NET CURRENT ASSETS		**63,138**	15,765
TOTAL ASSETS LESS CURRENT LIABILITIES		**100,315**	53,092

Continued/...

	2017	2016
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Deferred income	**3,608**	2,484
Deferred tax liabilities	**2,416**	2,247
Total non-current liabilities	**6,024**	4,731
Net assets	**94,291**	48,361
EQUITY		
Equity attributable to owners of the Company		
Share capital	**28,945**	20,715
Reserves	**58,485**	20,774
	87,430	41,489
Non-controlling interests	**6,861**	6,872
Total equity	**94,291**	48,361

NOTES

1. CORPORATE INFORMATION

Sage International Group Limited (the "Company") was incorporated in the Cayman Islands on 12 July 2001 and continued in Bermuda as an exempted company with limited liability under the Bye-laws of Bermuda.

The Company's shares were listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 2 November 2001. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11 Bermuda and its principal place of business is located at 10th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for an investment in a film right, investments in concert and film production projects and other investments, which have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 included in *Annual Improvements to HKFRSs 2014-2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

None of the above amendments to HKFRSs has had a significant financial effect on the Group's current year's financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the funeral services segment primarily engages in the provision of funeral and cremation services and deathcare related business; and

(b) the media and entertainment segment primarily engages in the investment in and production of films and concerts and other media and entertainment related businesses.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that head office and corporate expenses are excluded from such measurement.

Segment assets exclude certain property, plant and equipment, club membership, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2017/At 31 December 2017

	Funeral services *HK$'000*	Media and entertainment *HK$'000*	Total *HK$'000*
Segment revenue:			
Sales to external customers	15,191	79,306	94,497
Segment results	3,358	1,513	4,871
Reconciliation:			
Corporate and other unallocated expenses, net			(23,379)
Loss before tax			(18,508)
Segment assets	26,815	67,391	94,206
Reconciliation:			
Corporate and other unallocated assets			20,953
Total assets			115,159
Segment liabilities	(8,346)	(2,267)	(10,613)
Reconciliation:			
Corporate and other unallocated liabilities			(10,255)
Total liabilities			(20,868)
Other segment information:			
Depreciation	1,622	66	1,688
Gain on disposal of a subsidiary	2,659	–	2,659
Impairment of other receivables	145	–	145
Capital expenditure*	1,616	42	1,658

* *Capital expenditure consists of additions to property, plant and equipment.*

Year ended 31 December 2016/At 31 December 2016

	Funeral services *HK$'000*	Media and entertainment *HK$'000*	Total *HK$'000*
Segment revenue:			
Sales to external customers	16,311	–	16,311
Others	–	(24)	(24)
	16,311	(24)	16,287
Segment results	(8,459)	(3,836)	(12,295)
Reconciliation:			
Corporate and other unallocated expenses, net			(5,628)
Loss before tax			(17,923)
Segment assets	23,054	18,315	41,369
Reconciliation:			
Corporate and other unallocated assets			24,558
Total assets			65,927
Segment liabilities	(7,187)	(75)	(7,262)
Reconciliation:			
Corporate and other unallocated liabilities			(10,304)
Total liabilities			(17,566)
Other segment information:			
Depreciation	1,266	12	1,278
Capital expenditure*	3,256	297	3,553

* *Capital expenditure consists of additions to property, plant and equipment.*

Geographical information

(a) Revenue from external customers

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**7,043**	7,864
Macau	**77,858**	–
Mainland China	**9,596**	8,447
	94,497	16,311

The revenue information above is based on the locations where the relevant sales took place/underlying services were rendered.

(b) Non-current assets

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**7,819**	9,470
Mainland China	**21,481**	19,638
	29,300	29,108

The non-current assets information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

The Group did not have revenues from any single customer, which accounted for 10% or more of the total revenue of the Group for the year ended 31 December 2017.

The Group had revenues from a major customer reported under the funeral services operating segment of HK$1,800,000, which accounted for 10% or more of the total revenue of the Group for the year ended 31 December 2016.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the year.

An analysis of revenue, other income and gains is as follows:

	2017	2016
	HK$'000	*HK$'000*
Revenue		
Rendering of funeral and cremation services	**11,240**	11,637
Sales of eternity gem products	**1,251**	2,874
Management service income	**2,700**	1,800
Entertainment event income	**77,858**	–
Artiste performance, artiste management and other related income	**698**	–
Others	**750**	(24)
	94,497	16,287
Other income and gains		
Gain on disposal of a subsidiary	**2,659**	–
Gross rental income	**31**	105
Reversal of provision for impairment of other receivables	**–**	4,500
Gain on investments in media and entertainment related projects	**2,099**	–
Others	**488**	568
	5,277	5,173

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2017	2016
	HK$'000	*HK$'000*
Cost of inventories sold	**850**	880
Depreciation	**3,232**	1,998
Loss on disposal of items of property, plant and equipment	**11**	–
(Reversal of impairment)/impairment of intangible assets *(i)*	**(250)**	1,200
Impairment of other receivables	**145**	291
Other share-based payment expense *(ii)*	**12,202**	–
Share of net income from entertainment event organised by the Group to co-investors *(ii)*	**11,449**	–
Foreign exchange differences, net	**109**	17

Notes:

(i) Included in "General and administrative expenses" in the consolidated statement of profit or loss.

(ii) Included in "Other expenses" in the consolidated statement of profit or loss.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax was made for the prior year as the Group did not generate any assessable profits arising in Hong Kong during that year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2017	2016
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**1,009**	–
Current – Elsewhere		
Charge for the year	**109**	189
Underprovision in prior years	**283**	102
Total tax charge for the year	**1,401**	291

8. DIVIDEND

The board of directors of the Company does not recommend the payment of any dividend in respect of the year (2016: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of approximately 1,028,512,000 (2016: 784,550,000) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2017 and 2016 in respect of a dilution as the impact of the share options outstanding had an anti-diluted effect on the basic loss per share amounts presented.

10. TRADE RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**857**	1,993

The Group's trading terms with its credit sales customers are generally 30 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date or equivalent, is as follows:

	2017	2016
	HK$'000	*HK$'000*
Within 1 month	**822**	1,809
1 to 2 months	**–**	140
2 to 3 months	**–**	21
Over 3 months	**35**	23
	857	1,993

11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

An ageing analysis of the trade payables included in "Trade payables, other payables and accruals" in the consolidated statement of financial position as at the end of the reporting period, based on the invoice date, is as follows:

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**204**	92
31-60 days	**22**	13
61-90 days	**15**	21
Over 90 days	**98**	110
	339	236

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

12. EVENTS AFTER THE REPORTING PERIOD

On 23 January 2018, Heading Champion Limited (the "Offeror") and the Company jointly announced that the Offeror would make voluntary conditional cash offers (i) to acquire all of the issued ordinary shares of the Company (other than those already owned by the Offeror and the parties acting in concert with it) (the "Share Offer"); and (ii) to cancel all the outstanding share options granted by the Company pursuant to the share option scheme of the Company (other than those already owned by the Offeror and the parties acting in concert with it) (the "Option Offer") (collectively, the "Offers"). Upon the completion of the Offers, a distribution in specie will be effected by the Offeror to distribute all the ordinary shares of the Company held by the Offeror in proportion to their existing shareholding in the Offeror (i.e., 40%, 40% and 20% for Mr. Dong Choi Chi, Alex, Simple Cheer Limited and Mr. Chau Cheok Wa, respectively). A composite document relating to the Offers was issued dated 13 February 2018. As at 19 March 2018, all the outstanding share options were cancelled.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2017, the total revenue of the Group (which mainly arising from funeral services and media and entertainment businesses) was approximately HK$94,497,000 which was 480.20% higher than the corresponding period of last year of approximately HK$16,287,000. The increase was mainly due to the revenue generated from the《A CLASSIC TOUR學友•經典》concert.

Other income and gains

Other income and gains increased from approximately HK$5,173,000 to approximately HK$5,277,000.

Selling, marketing and distribution expenses

Selling, marketing and distribution expenses for the year ended 31 December 2017 was approximately HK$7,168,000, being 7.59% of total revenue, representing an increase of approximately HK$3,230,000, as compared with the amount for the corresponding period of last year of approximately HK$3,938,000, being 24.18% of total revenue.

General and administrative expenses

General and administrative expenses for the year ended 31 December 2017 amounted to approximately HK$24,820,000 which was 14.85% lower than the amount for the corresponding period of last year of approximately HK$29,147,000. The decrease was primarily attributable to an one off non-cash share-based payment of approximately HK$3,001,000 in relation to shares issued to Keith Productions Limited recorded in last year.

Other expenses

Other expenses mainly consists of co-investors' share of net income from a concert organised by the Group and an one off non-cash share-based payment expense of approximately HK$12,202,000.

Loss for the year

The Group's loss for the year was approximately HK$19,909,000 (year ended 2016: HK$18,214,000). If the non-cash share-based payment of approximately HK$12,202,000 was taken out, the Group's loss for the year would reduce to approximately HK$7,707,000.

Net assets

Net assets of the Group as of 31 December 2017 amounted to approximately HK$94,291,000 as compared to approximately HK$48,361,000 as of 31 December 2016. The increase was mainly attributable to (i) net proceeds arising from placing of 165,000,000 new ordinary shares of the Company at a placing price of HK$0.16 amounted to approximately HK$25.5 million net of expenses and (ii) the Group acquired 20% of the income right of the film《貪狼》Paradox at fair value of approximately HK$27.3 million.

OPERATION REVIEW

OPERATION REVIEW – HONG KONG

Funeral services

During the year ended 31 December 2017, the Group's Hong Kong funeral services recorded a total revenue of approximately HK$5,841,000 which was 25.72% lower than that of the corresponding period of approximately HK$7,864,000 in 2016. During the year, revenues were mainly generated from sales of funeral packages, provision of management service and sales of the EGEM products, which transforms the cremated ash into durable memorial gem stone.

The revenue from sales of funeral packages for the year ended 31 December 2017 was approximately HK$1,890,000, which was 40.75% lower than that of the corresponding period of last year of approximately HK$3,190,000. The revenue from provision of management service for the year ended 31 December 2017 was approximately HK$2,700,000, which was 50% higher than that of the corresponding period of last year of approximately HK$1,800,000. The revenue from sales of the eternity gem products decreased 56.47% to approximately HK$1,251,000 as compared with that of the corresponding period of last year of approximately HK$2,874,000. The decrease was mainly due to only approximately six months' revenue was recorded in the current year, which was due to the fact that the company operating the EGEM business was disposed of on 7 July 2017.

Media and entertainment business

During the year ended 31 December 2017, the total revenue from media and entertainment business was approximately HK$79,306,000, which mainly comprised of concert organisation income, artiste performance and management income, and sponsorship and marketing related income. The operating segment of media and entertainment business has just started in the mid of 2016 and it recorded a segment loss of approximately HK$3,836,000. For year ended 31 December 2017, the segment recorded a segment profit of approximately HK$1,513,000, which was mainly achieved by organising the《A CLASSIC TOUR 學友•經典》concert and investing in a number of concerts including《林憶蓮＜PRANAVA＞世界巡迴演唱會2017 ENCORE場－香港站》.

OPERATION REVIEW – MAINLAND CHINA

Funeral services and crematorium

Huaiji funeral parlour

Cremation business operation in Huaiji was performing steadily during the year ended 31 December 2017 and its total revenue for the year was approximately HK$9,350,000, which was 10.69% higher than that of the corresponding period of last year of approximately HK$8,447,000. The reason for the increase in revenue was mainly due to an increase in selling price of funeral services.

PROSPECTS

The growing momentum of the media and entertainment industry in Mainland China is robust in recent years. Mainland China's movie box office revenue rose 13.45% in 2017 to more than 55.9 billion yuan (8.6 billion U.S. dollars), according to the State Administration of Press, Publication, Radio, Film and Television (SAPPRFT). The Group is optimistic about the industry, particularly the film, musical, drama, online TV drama/movie, live shows and related intellectual property ("IP") trading sectors/sub-sectors. Targeting at the enormous yet growing Mainland China market, we endeavor to strengthen the Group's integrated media platform with an aim to provide valuable and competitive products and to enhance our market position, and we will continue to explore strategic alliance as well as investment opportunities to enrich our portfolio, broaden our income streams and bring attractive value for our shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2017, the Group had cash and cash equivalents of approximately HK$28,977,000 (as at 31 December 2016: HK$22,615,000) and the total assets of the Group were HK$115,159,000 (as at 31 December 2016: HK$65,927,000). As at 31 December 2017, the net current assets of the Group were approximately HK$63,138,000 (as at 31 December 2016: HK$15,765,000) and the Group's current ratio, which represents current assets over its current liabilities, was approximately 5.25 times (as at 31 December 2016: 2.23 times). The gearing ratio of the Group as at 31 December 2017 (calculated as total liabilities of HK$20,868,000 over equity attributable to owners of the Company of HK$87,430,000) was 23.87% (as at 31 December 2016: 42.34%).

PLACING OF NEW SHARES

On 8 March 2017, the Company entered into a placing agreement with a placing agent, pursuant to which, the placing agent agreed to place, on a best efforts basis, the placing shares comprising in aggregate 165,000,000 new ordinary shares of the Company at a placing price of HK$0.16 per placing share on behalf of the Company to not fewer than six placees who and whose ultimate beneficial owners are independent third parties. The placing was subject to the conditions set out in the placing agreement. On 24 March 2017, 165,000,000 placing shares were alloted and issued by the Company pursuant to the placing agreement.

The net proceeds arising from the placing amounted to approximately HK$25.5 million net of expenses, which were used to develop the media and entertainment operating segment.

For further details of the share placing, please refer to the Company's announcements dated 8 March 2017 and 24 March 2017.

INVESTMENT POSITION AND PLANNING

The Group will continuously undertake researches and identify potential deathcare related and media and entertainment business investment opportunities to enhance its business portfolio.

INVESTMENT HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

On 24 January 2017, Sunny Side Up (BVI) Limited ("Sunny Side Up"), a wholly-owned subsidiary of the Company entered into an investment agreement with Sun Entertainment Films Limited ("Sun Entertainment"), a company that is wholly and beneficiary owned by Mr. Dong Choi Chi, Alex, an executive Director and a substantial shareholder of the Company. The investment agreement was completed on 25 July 2017 which the Company issued 164,193,312 new shares of the Company to Sun Entertainment and acquired 20% of the right of Distributable Distribution Net Income (as defined in the investment agreement) of the film《貪狼》Paradox. For further details of the investment, please refer to an announcement and circular of the Company dated 24 January 2017 and 29 June 2017, respectively.

On 27 June 2017, Sage Funeral Services Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with Konnection Global Ltd. to dispose of the entire issued share capital of and the loan to Sage Eternity Gem Services Limited for a cash consideration of HK$3,000,000. The disposal was completed on 7 July 2017. Further details of the disposal is disclosed in the announcements of the Company dated 27 June 2017 and 7 July 2017.

Save as disclosed above and the investment in a film right in the prior year and the investments in several concert production projects in the current year in the ordinary course of business of the Group, there were no other significant investments held, and no material acquisitions or disposals of subsidiaries during the year.

CURRENCY RISK EXPOSURE

The Group has certain operations in Mainland China, whose net assets might be exposed to foreign currency translation risk. The Group currently does not have a foreign currency policy to hedge its currency exposure arising from the net assets of the Group's foreign operations. Otherwise, the Group has no material exposure to foreign currency risk as the majority of the Group's assets of its operating units are denominated in their respective functional currency of either Hong Kong Dollars or Renminbi.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group had 66 employees and including Directors (31 December 2016: 61). Total staff costs for the year ended 31 December 2017, including Directors' remuneration, amounted to approximately HK$10,110,000 (year ended 31 December 2016: approximately HK$11,150,000). The Group's employee remuneration packages are mainly determined on the basis of individual performance and experience and also having industry practice, which include basic wages and performance related bonuses. The Group also provides provident fund schemes and medical insurance scheme for its employees. The Company also grants share options to the Directors and eligible employees.

CHARGES ON GROUP'S ASSETS AND CONTINGENT LIABILITIES

There were no charges on the Group's assets and the Group did not have any significant contingent liabilities for the year ended 31 December 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2017.

DIRECTORS' SECURITIES TRANSACTIONS

Securities transactions by Directors

The Company has established written guidelines for the required standard of dealings in securities by directors of the Company on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Having made specific enquiries of all Directors, the Directors confirmed that they have fully complied with the requirements under the Required Standard of Dealings and there was no event of non-compliance during the year ended 31 December 2017. However, one non-compliance incident was noted after the year end, where the composite document in relation to the conditional voluntary cash offers by Sun International Securities Limited for and on behalf of Heading Champion Limited, a company which is owned as to 40% by Mr. Dong Choi Chi, Alex (an executive Director), for all the issued shares of the Company (other than those already owned by it and the parties acting in concert with it) and for the cancellation of all the outstanding options of the Company was despatched on 13 February 2018 during the Company's black-out period. The despatch of the composite document constituted a "dealing" and thus the despatch of the same during the black-out period constituted a deviation from the requirements under the Required Standard of Dealings.

The Company has paid due regard to the aforementioned non-compliance and in order to prevent the occurrence of similar incidents, the management of the Company has immediately taken steps to remind all Directors of the dealing restrictions during the black-out period as well as the requirements under the Required Standard of Dealings and the relevant FAQs published by the Stock Exchange from time to time. In addition, the Company will organise, and all Directors and the company secretary of the Company, have committed to attend, a training to be conducted by a professional law firm, covering the requirements and procedures under the Required Standard of Dealings to reinforce the Directors' and the company secretary's knowledge and awareness of the requirements and restrictions regarding dealings of shares by Directors.

CORPORATE GOVERNANCE

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is also committed to achieving a high standard of corporate governance that can properly protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company.

Save as the deviation from the code provision A.2.1 as described below, the Company has complied with the Corporate Governance Code (the "CG Code") during the year ended 31 December 2017.

Non-compliance code provision A.2.1

In accordance with the code provision A.2.1 of the CG Code, the roles of the chairman and CEO should be separate and should not be performed by the same individual.

During the year ended 31 December 2017, Mr. Chui Bing Sun was the chairman of the Board and the CEO of the Company. The Board then considered that such structure would not impair the balance of power and authority of the Board, which comprised experienced and high caliber individuals and met regularly to discuss issues affecting the operations of the Company. Following the resignation of Mr. Chui Bing Sun as an executive Director, the chairman of the Board, CEO, a member of the risk management committee, a compliance officer and an authorized representative of the Company on 19 March 2018, decisions of the Company were made collectively by the executive Director, Mr. Dong Choi Chi, Alex who is focused on evaluating new potential business and investment opportunities and formulating and implementing business strategies to enhance the revenue and growth potential of the Group. Hence, a new chairman and CEO will not be appointed until suitable candidates have been identified for such purpose.

Non-compliance code provision A.2.7

Under CG Code provision A.2.7, the chairman should at least annually hold meetings with the non-executive directors, including independent non-executive directors, without the executive directors present. In 2017, the Chairman did not hold meetings with the independent non-executive Directors without the executive Director present, which deviates from Code provision A.2.7. However, in each Board meeting, the chairman of the meetings would ensure that all Directors were able to make a full and active contribution to the Board's affairs and encourage all Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that the Board decisions fairly reflect Board consensus.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Company reviewed the Group's annual results announcement for the year ended 31 December 2017.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement of the Group for the year ended 31 December 2017 is published on the website of GEM of the Stock Exchange at www.hkgem.com and the website of the Company at www.sig.hk. The 2017 Annual Report of the Company will be despatched to the shareholders of the Company and made available on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to all the staff and management team for their contribution during the period. I would also like to express my appreciation to the continuous support of our shareholders and investors.

On behalf of the board of
Sage International Group Limited
Dong Choi Chi, Alex
Executive Director

Hong Kong, 27 March 2018

As at the date of this announcement, the executive Director is Mr. Dong Choi Chi, Alex, and the independent non-executive Directors are Mr. Chan Wai Man, Mr. Siu Hi Lam, Alick and Mr. Ting Kit Lun.

This announcement will remain on the "Latest Company Announcement" page of the GEM Website for at least 7 days from the day of its publication and on the website of the Company at www.sig.hk.