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SiS MOBILE HOLDINGS LIMITED

新龍移動集團有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1362)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The directors (the “Directors”) of SiS Mobile Holdings Limited (the “Company”) are pleased to announce the condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 together with comparative figures for the corresponding period in 2024. The interim financial statements have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended	
		30 June 2025	30 June 2024
	Notes	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	4	567,357	470,383
Cost of sales		(550,797)	(444,574)
Gross profit		16,560	25,809
Other income		1,100	1,835
Other gains and losses, net		404	(345)
Selling and distribution expenses		(8,781)	(9,456)
Administrative expenses		(12,268)	(12,215)
Finance cost		(214)	(179)
(Loss) Profit before tax	5	(3,199)	5,449
Income tax expense	6	(98)	(1,309)
(Loss) Profit for the period		<u>(3,297)</u>	<u>4,140</u>
Other comprehensive income			
<i>Item that will not be classified to profit or loss</i>			
Fair value gain on equity instruments at fair value through other comprehensive income		3,424	1,066
Total comprehensive income for the period attributable to owners of the Company		<u>127</u>	<u>5,206</u>

* For identification purposes only

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

		Six months ended	
		30 June	30 June
		2025	2024
		HK cents	HK cents
	<i>Note</i>	(unaudited)	(unaudited)
(Loss) Earnings per share	7		
– Basic and diluted		(1.18)	1.47

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June	31 December
		2025	2024
		HK\$'000	HK\$'000
	<i>Notes</i>	(unaudited)	(audited)
Non-current assets			
Property, plant and equipment		253	282
Right-of-use assets		4,775	9,902
Equity instruments at fair value through other comprehensive income		17,541	14,117
Rental deposit		681	1,099
		23,250	25,400
Current assets			
Inventories		31,013	15,231
Trade and other receivables, deposits and prepayments	9	81,035	82,670
Tax recoverable		214	312
Bank balances and cash		82,543	81,042
		194,805	179,255
Current liabilities			
Trade payables, other payables and accruals	10	40,815	23,127
Contract liabilities		899	101
Dividend payable	8	4,200	-
Lease liabilities		2,219	4,388
		48,133	27,616
Net current assets		146,672	151,639
Total assets less current liabilities		169,922	177,039
Non-current liability			
Lease liabilities		3,015	6,059
Net assets		166,907	170,980
Capital and reserves			
Share capital	11	28,000	28,000
Reserves		138,907	142,980
Equity attributable to owners of the Company and total equity		166,907	170,980

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") 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 (the "Stock Exchange").

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2025 for the preparation of Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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

3. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Group is principally engaged in the sales and distribution of mobile phones and related products in Hong Kong. The executive directors of the Company, being the chief operating decision maker ("CODM") for the purposes of resource allocation and performance assessment focuses mainly on revenue analysis by brand. As no other discrete financial information other than the consolidated revenue and consolidated profit or the Group are provided to CODM, no segment information is presented other than entity-wide disclosures.

4. REVENUE

Revenue represents the net amount received and receivable for goods sold arising from the distribution and retail sales of mobile phones and related products.

5. (LOSS) PROFIT BEFORE TAX

	Six months ended	
	30 June	30 June
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) Profit before tax has been arrived at after charging and (crediting):		
Cost of inventories recognised as an expense (including write down of inventories HK\$576,000 (2024 interim : write back of inventories HK\$78,000))	550,797	444,574
Impairment losses reversed under expected credit loss model	(218)	(46)
Depreciation of property, plant and equipment	68	397
Depreciation of right-of-use assets	1,677	1,149
Dividend income	(400)	(325)
Exchange (gain) loss, net	(11)	391
Interest income from bank deposits	(630)	(1,274)
Interest expense on lease liabilities	214	179

6. INCOME TAX EXPENSE

	Six months ended	
	30 June	30 June
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax- Current period	98	1,309

The Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above the HK\$2 million for the qualified entity. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

7. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share is based on the Group's loss attribute to owners of the Company of HK\$3,297,000 (six months ended 30 June 2024: profit HK\$4,140,000) and the number of ordinary shares calculated below.

	Six months ended	
	30 June	30 June
	2025	2024
	'000 shares	'000 shares
Number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	280,000	280,000

Diluted (loss) earnings per share for the six months ended 30 June 2025 and 2024 was the same as basic (loss) earnings per share as there were no diluted potential shares during the interim period.

8. DIVIDENDS

Dividend recognized as distribution during the six months ended 30 June 2025 represented final dividend payable in respect of the year ended 31 December 2024 of 1.5 HK cents per share, total HK\$4,200,000 (for the six months ended 30 June 2024: 1.5 HK cents per share in respect of the year ended 31 December 2023 total HK\$4,200,000).

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in trade and other receivables, deposits and prepayments are trade receivables of HK\$21,464,000 (31 December 2024: HK\$25,418,000). The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date at end of each reporting period.

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Within 30 days	15,181	19,254
31 to 60 days	4,036	3,596
61 to 90 days	1,345	2,568
91 to 120 days	543	-
Over 120 days	359	-
	<hr/>	<hr/>
Total trade receivables	21,464	25,418

The Group maintains a defined credit policy. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customers. Limits granted to customers are reviewed periodically. For sales of goods, the Group allows an average credit period of 30 days to its trade customers. No interest is charged on overdue debts.

10. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals are trade payables of HK\$27,740,000 (31 December 2024: HK\$11,785,000). The average credit period on purchase of goods is 30 days. The following is an aged analysis of the trade payables based on the invoice date at end of each reporting period.

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Within 30 days	21,726	5,806
31 to 90 days	54	7
91 to 120 days	1	2
Over 120 days	5,959	5,970
	<hr/>	<hr/>
Total trade payables	27,740	11,785

11. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each	Nominal value
		<i>HK\$'000</i>
Authorised	500,000,000	50,000
Issued and fully paid		
At 1 January 2024, 30 June 2024, 31 December 2024 and 30 June 2025	280,000,000	28,000

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

BUSINESS REVIEW

Despite a challenging consumer environment, particularly in the Hong Kong mobile phone industry, we achieved a 21% increase in turnover when compared with same period last year, reflecting our ability to drive sales volume and maintain market presence. However, this growth was overshadowed by significant margin pressures, leading to a 36% decline in gross profit. The sharp contraction in profitability ultimately resulted in a net loss of HK\$3,297,000 for the period while it was a net profit of HK\$4,140,000 for the corresponding period last year.

The Hong Kong consumer market remains subdued, with weak consumer sentiment, intense price competition, and rapid product cycles contributing to a difficult operating landscape. These factors have compressed margins across the industry and impacted our bottom line more severely than anticipated.

While these results are not where we aim to be, they serve as a catalyst for transformation. We are actively reviewing our cost structures, optimizing inventory management, and exploring new revenue streams to mitigate these pressures. Our strategic focus remains on long-term sustainability, innovation, and operational efficiency.

PROSPECT

The consumer outlook in Hong Kong continues to be subdued, shaped by several interrelated challenges:

- Intensifying competition from mainland Chinese brands—which offer aggressive pricing and rapid innovation—has further squeezed margins and market share.
- Shifting consumer behavior, with a preference for value-driven purchases and longer replacement cycles, has impacted overall demand.

While these conditions present real challenges, they also reinforce the urgency and importance of transformation. We are actively rethinking our cost structures, enhancing operational agility, and exploring new product categories or new business models to better serve evolving consumer needs.

FINANCIAL ANALYSIS

Liquidity and Financial Resources

As at 30 June 2025, the Group had total assets of HK\$218,055,000 which were financed by total equity of HK\$166,907,000 and total liabilities of HK\$51,148,000. The Group had current ratio of approximately 4.0 compared to that of approximately 6.5 at 31 December 2024.

As at 30 June 2025, the Group had HK\$82,543,000 (31 December 2024: HK\$81,042,000) bank balances and cash. The Group's working capital requirements were mainly financed by internal resources and bank borrowing.

The Group maintained a healthy liquidity position. As at 30 June 2025, the Group had a net cash surplus of HK\$82,543,000 (31 December 2024: HK\$81,042,000). There was no bank borrowing as at 30 June 2025 (31 December 2024: Nil).

Charges on Group Assets

There was no pledged asset as at 30 June 2025 (31 December 2024: Nil).

Number and Remuneration of Employees, Remuneration Policies and Bonus

The number of staff of the Group as at 30 June 2025 was 54 (30 June 2024: 51) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments, amounted to HK\$10,262,000 (30 June 2024: HK\$10,886,000). In addition to the contributory provident fund and medical insurance, discretionary bonus is awarded to employees according to performance appraisals. The Group's salary and discretionary bonus system is reviewed annually. There are no significant changes in staff remuneration policies from last year.

Significant Investments

The listed securities held by the Group are held for long term investment purpose and had a 24% increase during the six months ended 30 June 2025. The fair value gain HK\$3,424,000 was accounted for in other comprehensive income. During the interim period 2025, there was no addition or disposal to the portfolio and the Group received dividend income of HK\$400,000 (interim 2024: HK\$325,000).

Currency Risk Management

Certain purchase of goods, other receivables and bank balances of the Group are denominated in United States Dollar (US\$), the currency other than the functional currencies of the relevant group entities. As Hong Kong Dollars is pegged to US Dollars, the management of the Group does not expect that there would be any material currency risk exposure between these two currencies. The Group currently does not have currency hedging policy. However, the management monitors the currency fluctuation exposure and will consider hedging significant currency risk exposure should the need arise.

The Group did not have any derivatives financial instrument outstanding as at 30 June 2025 (31 December 2024: Nil).

Contingent Liabilities

At 30 June 2025, the Group did not have contingent liabilities or guarantees (31 December 2024: Nil).

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the “Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Through the period ended 30 June 2025, the Company has complied with the code provision under the Code.

MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as the code of conduct for Directors in their dealings in securities of the Company. Having made specific enquiry of all Directors, all Directors confirmed they have complied with the Model Code.

AUDIT 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 2025, including the accounting principles and practices adopted by the Company.

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 period ended 30 June 2025.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the Company’s website at www.sismobile.com.hk and the website of the Stock Exchange at www.hkexnews.hk. The 2025 interim report of the Company will be dispatched to shareholders of the Company and published on the above-mentioned websites on or before 30 September 2025.

APPRECIATION

I extend my sincere gratitude to our employees for their unwavering dedication, our customers and business partners for their continued trust, and our shareholders for their steadfast support. We remain committed to delivering value for our shareholders, and we will continue to adapt our strategies to meet evolving market conditions.

On behalf of the Board of
SiS Mobile Holdings Limited
LIM Kiah Meng
Chairman

Hong Kong, 25 August 2025

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 Hwee Hai, Mr. Lim Ee Ray and Mr. Lim Yi Alex as non-executive directors and Ms. Chu Chung Yi, Mr. Cheng Tak Chung and Mr. Ma Shiu Sun Michael as independent non-executive directors.