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SiS INTERNATIONAL HOLDINGS LIMITED

新龍國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00529)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The directors (the “Directors”) of SiS International Holdings Limited (the “Company”) are pleased to announce that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2022 together with comparative figures for the corresponding year in 2021 which are set out as follow:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue		9,227,729	10,999,242
Cost of sales		(8,609,309)	(10,316,437)
Gross profit		618,420	682,805
Other income		31,430	38,120
Other gains and losses, net	3	(73,117)	17,867
Selling and distribution expenses		(205,741)	(225,254)
Administrative expenses		(138,699)	(153,186)
Net gain (loss) from changes in fair value of investment properties		21,232	(21,639)
Impairment loss under expected credit loss model, net of reversal		(23,401)	(19,878)
Share of results of associates		5,717	7,751
Finance costs		(56,960)	(52,281)
Profit before tax		178,881	274,305
Income tax expense	4	(68,026)	(62,984)
Profit for the year	5	110,855	211,321
Profit for the year attributable to:			
Owners of the Company		44,460	115,106
Non-controlling interests		66,395	96,215
		110,855	211,321

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

For the year ended 31 December 2022

	<i>Note</i>	2022 <i>HK Cents</i>	2021 <i>HK Cents</i>
Earnings per share	7		
- Basic		16.0	41.4
- Diluted		16.0	41.4

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit for the year	110,855	211,321
Other comprehensive income (expense):		
Items that will not be reclassified to profit or loss		
Fair value gain (loss) on equity instruments at fair value through other comprehensive income ("FVTOCI")	13,272	(31,666)
Adjustment on actuarial assumptions on retirement benefits obligations	2,809	-
	16,081	(31,666)
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising on translation of foreign operations		
- Subsidiaries	(71,179)	(119,892)
- Associates	(13,588)	(980)
	(84,767)	(120,872)
Other comprehensive expense for the year	(68,686)	(152,538)
Total comprehensive income for the year	42,169	58,783
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	(7,625)	(2,334)
Non-controlling interests	49,794	61,117
	42,169	58,783

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current Assets			
Investment properties		3,764,871	4,110,724
Property, plant and equipment		673,004	649,142
Right-of-use assets		29,310	31,675
Goodwill		126,406	126,406
Interests in associates		94,788	105,092
Equity instruments at fair value through profit or loss ("FVTPL")		188,412	187,609
Equity instruments at FVTOCI		47,296	48,082
Deferred tax assets		80,753	89,382
Other financial assets		4,577	10,064
Other assets		2,500	2,500
		<u>5,011,917</u>	<u>5,360,676</u>
Current Assets			
Inventories		1,062,338	1,359,475
Trade and other receivables, deposits and prepayments	8	1,504,190	1,575,970
Amount due from an associate		292	355
Derivative financial instruments		-	394
Tax recoverable		5,193	519
Equity instruments at FVTPL		86,419	23,369
Pledged deposits		308,016	340,702
Cash and cash equivalents		862,086	976,510
		<u>3,828,534</u>	<u>4,277,294</u>
Current Liabilities			
Trade payables, other payables and accruals	9	929,323	1,180,060
Contract liabilities		17,480	13,005
Lease liabilities		15,651	16,235
Advance lease payments		1,482	1,693
Amount due to an associate		19	20
Derivative financial instruments		11,817	-
Tax payable		24,483	51,644
Bank borrowings		2,549,538	2,736,121
Bonds		59,586	-
Rental deposits		12,835	16,515
		<u>3,622,214</u>	<u>4,015,293</u>
Net Current Assets		<u>206,320</u>	<u>262,001</u>
Total Assets less Current Liabilities		<u>5,218,237</u>	<u>5,622,677</u>
Non-current Liabilities			
Lease liabilities		38,767	48,708
Advance lease payments		24,065	31,522
Bank borrowings		844,315	1,160,335
Bonds		172,097	262,783
Rental deposits		83,527	91,362
Deferred tax liabilities		111,805	108,642
Retirement benefits obligations		18,827	20,415
		<u>1,293,403</u>	<u>1,723,767</u>
Net Assets		<u><u>3,924,834</u></u>	<u><u>3,898,910</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 31 December 2021

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Capital and Reserves		
Share capital	27,797	27,797
Share premium	73,400	73,400
Other reserves	(100,109)	(39,983)
Retained profits	<u>3,355,559</u>	<u>3,300,943</u>
Equity attributable to owners of the Company	3,356,647	3,362,157
Non-controlling interests	<u>568,187</u>	<u>536,753</u>
Total Equity	<u>3,924,834</u>	<u>3,898,910</u>

*Notes:***1. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)***Amendments to HKFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020

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

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

1. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (*Continued*)

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and liabilities arising from a Single Transaction ¹

1 Effective for annual periods beginning on or after 1 January 2023

2 Effective for annual periods beginning on or after a date to be determined

3 Effective for annual periods beginning on or 1 January 2024

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

Based on the Group's outstanding liabilities as at 31 December 2022, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group's liabilities.

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

2. SEGMENT INFORMATION

Information reported to the executive directors, being the chief operating decision makers ("CODM"), for the purpose of resource allocation and assessment of segment performance focuses on the distribution of mobile and IT products (Hong Kong and Thailand), property investment and hotel operations (Japan and other regions) and securities investment. Segment liabilities have not been presented as these are not presented to the CODM.

2. SEGMENT INFORMATION (Continued)

Segment revenue and results

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

	2022					Consolidated HK\$'000
	Distribution of mobile and IT products		Property investment and hotel operations		Securities investment	
	Hong Kong HK\$'000	Thailand HK\$'000	Japan HK\$'000	Other regions HK\$'000	HK\$'000	
<i>Segment revenue</i>						
- Revenue from contracts with customers	2,522,828	6,455,459	79,318	-	-	9,057,605
- Leasing of investment properties	-	-	142,063	28,061	-	170,124
External sales	<u>2,522,828</u>	<u>6,455,459</u>	<u>221,381</u>	<u>28,061</u>	<u>-</u>	<u>9,227,729</u>
<i>Segment profit (loss)</i>	<u>45,891</u>	<u>206,976</u>	<u>83,805</u>	<u>(14,295)</u>	<u>(44,600)</u>	277,777
Share of results of associates						5,717
Finance costs						(56,960)
Other unallocated income						8,472
Unallocated corporate expenses						<u>(56,125)</u>
Profit before tax						<u>178,881</u>
	2021					
	Distribution of mobile and IT products		Property investment and hotel operations		Securities investment	Consolidated
	Hong Kong HK\$'000	Thailand HK\$'000	Japan HK\$'000	Other regions HK\$'000	HK\$'000	HK\$'000
<i>Segment revenue</i>						
- Revenue from contracts with customers	2,950,624	7,777,986	48,658	-	-	10,777,268
- Leasing of investment properties	-	-	180,563	41,411	-	221,974
External sales	<u>2,950,624</u>	<u>7,777,986</u>	<u>229,221</u>	<u>41,411</u>	<u>-</u>	<u>10,999,242</u>
<i>Segment profit</i>	<u>48,825</u>	<u>251,200</u>	<u>5,891</u>	<u>50,273</u>	<u>14,302</u>	370,491
Share of results of associates						7,751
Finance costs						(52,281)
Other unallocated income						565
Unallocated corporate expenses						<u>(52,221)</u>
Profit before tax						<u>274,305</u>

Segment profit (loss) reported to the CODM for the purposes of resource allocation and performance assessment does not include share of results of associates, finance costs, other unallocated income and unallocated corporate expenses.

3. OTHER GAINS AND LOSSES, NET

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Exchange (loss) gain, net	(14,609)	3,953
Gain on disposal of property, plant and equipment	33	76
(Loss) gain from changes in fair value of equity instruments at FVTPL	(46,451)	11,487
(Loss) gain from changes in fair value of derivative financial instruments	(12,090)	2,351
	<u>(73,117)</u>	<u>17,867</u>

4. INCOME TAX EXPENSE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong Profits Tax:		
Current year	4,179	9,287
Underprovision in prior years	66	-
	<u>4,245</u>	<u>9,287</u>
Overseas Tax:		
Current year	43,467	65,763
Under(over) provision in prior years	78	(136)
Withholding tax on declared dividend income	3,040	1,222
	<u>46,585</u>	<u>66,849</u>
Deferred taxation	<u>17,196</u>	<u>(13,152)</u>
	<u>68,026</u>	<u>62,984</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the quantifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. 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%.

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

Corporate Tax in Japan is calculated at 23.2% (2021: 23.2%) on the estimated assessable profit for the year. Pursuant to relevant laws and regulations in Japan, withholding tax is imposed at 20.42% and 5% on dividends declared to local investors and foreign investors, respectively, in respect of profit earned by Japanese subsidiaries.

Corporate Tax in Thailand is calculated at 20% (2021: 20%) on the estimated assessable profit for the year.

5. PROFIT FOR THE YEAR

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Cost of inventories recognised as an expense (including write-down of inventories of HK\$10,711,000 (2021: HK\$13,604,000))	8,452,651	10,158,467
Depreciation of property, plant and equipment	30,816	32,338
Depreciation of right-of-use assets	12,508	12,164
Interest on bank borrowings	51,050	45,225
Interest on bonds	3,044	3,676
Interest on lease liabilities	1,311	1,671
Interest on rental deposits	1,456	1,709
	<u> </u>	<u> </u>
and after crediting:		
Net rental income	112,920	150,161
Dividend income from equity instruments at FVTOCI	979	1,309
Dividend income from equity instruments at FVTPL	872	1,507
Interest income from bank deposits	7,493	2,395
	<u> </u>	<u> </u>

6. DIVIDENDS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Dividend recognised as distribution during the year:		
Final dividend, paid in respect of the year ended 31 December 2021 of 2.0 HK cents per share (2021: No final dividend paid in respect of the year ended 31 December 2020)	5,559	-
	<u> </u>	<u> </u>

A final dividend of 2.0 HK cents per share amounting to HK\$5,559,000 for the year ended 31 December 2022 have been proposed by the directors of the Company and are subject to approval by the shareholders in the forthcoming annual general meeting.

7. EARNINGS PER SHARE

The calculation of both basic and diluted earnings per share are based on the Group's profit attributable to owners of the Company of HK\$44,460,000 (2021: HK\$115,106,000) and the weighted average number of ordinary shares calculated below.

	2022	2021
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	277,966,666	277,966,666
	<u> </u>	<u> </u>

The computation of diluted earnings per share for the year ended 31 December 2022 and 2021 did not assume the exercise of all share options of the Company and share options of SiS Mobile Holdings Limited ("SiS Mobile") as the exercise prices of those options are higher than the average market prices of the shares of the Company and SiS Mobile for both years.

8. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in the trade and other receivables, deposits and prepayments are trade and lease receivables of HK\$1,305,514,000 (2021: HK\$1,347,609,000). The following is an analysis of trade and lease receivables by age, net of allowance for credit losses, presented based on the invoice date and demand note date at the end of the reporting period.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	568,092	1,218,277
31 to 90 days	509,510	87,131
91 to 120 days	60,638	20,429
Over 120 days	167,274	21,772
Trade and lease receivables	<u>1,305,514</u>	<u>1,347,609</u>

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 credit period range from 30 to 90 days to its trade customers. No credit period is granted to the customers for renting of properties. Rent is payable on presentation of a demand note. No interest is charged on overdue debts.

9. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals are trade payables of HK\$578,198,000 (2021: HK\$787,905,000). The following is an aged analysis of the trade payables, based on the invoice date, at the end of the reporting period.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	437,838	601,228
31 to 90 days	122,268	165,334
91 to 120 days	5,352	3,156
Over 120 days	12,740	18,187
Trade payables	<u>578,198</u>	<u>787,905</u>

The average credit period on purchase of goods is 30 to 60 days. The Group has policies in place to ensure that all payables are paid within the credit time frame.

FINAL DIVIDEND

To reward loyal shareholders, the directors recommend a final dividend of 2.0 HK cents per share (the “Final Dividend”) payable to shareholders on the register of members on 4 July 2023. Subject to the approval of the shareholders at the forthcoming annual general meeting, the Final Dividend will be payable in cash on 20 July 2023.

CLOSE OF REGISTER OF MEMBERS

The register of members will be closed on 3 July and 4 July 2023, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend for the year ended 31 December 2022, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:00 p.m. on 30 June 2023.

BUSINESS REVIEW

Revenue for the year ended 31 December 2022 decreased to HK\$9,228,000,000. Net profit for the year reduced to HK\$111,000,000 mainly due to the fall in demand of smartphones, lower fair value of our holding in securities investments and weakening of foreign currency exchanges.

Net assets value per share increased from HK\$14.0 to HK\$14.1.

Distribution Business

Revenue from distribution business reduced as a whole as demand in smartphones reduced despite revenue increase in IT products and value-added services. Total revenue from distribution for the year ended 31 December 2022 decreased from HK\$10,728,610,000 to HK\$8,978,287,000 when compared to same period last year.

During the year ended 31 December 2022, revenue from distribution business in Thailand decreased 17% mainly due to the weakening of Thai Baht and slower demand of smartphones. SiS Thailand contributed HK\$206,976,000 to the segment profit of the Group. Similarly, demand for smartphones in Hong Kong continued to reduce for both entry and higher end models resulting in revenue decrease for IT and mobile distribution from HK\$2,950,624,000 to HK\$2,522,828,000 as compared to same period last year.

Real Estate Investments Business

Real estate portfolio posted an improved valuation gain of HK\$21,232,000 as compared to valuation loss of HK\$21,639,000 in the corresponding period last year. In which Japan hospitality properties had a fair valuation gain HK\$61,484,000 for the year 2022 versus a fair value loss HK\$31,789,000 recorded in 2021. Without taking into account the foreign exchange difference, Japan hospitality properties would have achieved a much higher fair valuation gain.

Rental lease and hotel operation revenue from hospitality property in Japan grew during the year. However, after taking the impact of weakening of Japanese Yen by about 15% into consideration, when converting to HK\$, revenue decreased by 3%

Rental lease revenue in other regions reduced due to poor rental marketing conditions in Hong Kong for office space.

Looking forward, the lifting of restrictions in both Japan and Hong Kong would bring about a rebound in both travelers and business.

Investment in IT, Securities and other Businesses

Our associate company in Bangladesh, Information Technology Consultants Limited (“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 continued to perform well and contributed HK\$5,717,000 to the Group.

The Group narrowed its segment loss in securities investments when compared to the fair value loss for half year ended 2022. The stock market continued to be volatile; the Group will continue to exercise prudence, review and seek to divest or invest in promising securities when opportunity arises.

Asset Management

SiS Cloud Global Tech Fund 8 – a new technology fund established by asset management arm of the Group began its investments in promising technology companies in cloud computing, SaaS and cyber security companies in USA, China and Asia. A separate fund - SiS SPAC investment fund invested in the SPAC listed companies on the Singapore Stock Exchange.

PROSPECT

The directors are moving ahead cautiously. With its portfolio of hotels and hospitality spread across various parts of Japan, the Group is well positioned to capture the increasing demand from the return of both corporate and leisure travelers to Japan which remained as one of the top tourist destinations.

The global economic outlook remains challenging with the ongoing geopolitical tensions, persistent inflationary pressures, rising interest rates and spiraling cost of living. Challenging times also opened-up new horizon and many opportunities for investment; the directors are moving ahead in exploring investment opportunity when it presents. Our asset management funds will have better opportunities to invest in start-up technology and growth companies in reduced valuation posing significant opportunities.

The Group remains resilient, agile and nimble and will continue to adapt, manage and calibrate to emerge stronger amidst the challenges.

FINANCIAL REVIEW AND ANALYSIS

Liquidity and Financial Resources

As at 31 December 2022, the Group had total assets of HK\$8,840,451,000 which were financed by total equity of HK\$3,924,834,000 and total liabilities of HK\$4,915,617,000. The Group had a current ratio of approximately 1.06 compared to that of approximately 1.07 at 31 December 2021.

As at year end 2022 the Group had HK\$1,170,102,000 (2021: HK\$1,317,212,000) bank deposits balances and cash of which HK\$308,016,000 (2021: HK\$340,702,000) was pledged to banks to secure bank borrowings. The Group's working capital requirements were mainly financed by internal resources, bank borrowings and bonds. As at 31 December 2022, the Group had short term borrowings and bonds of HK\$2,609,124,000 (2021: HK\$2,736,121,000) and long term borrowings and bonds of HK\$1,016,412,000 (2021: HK\$1,423,118,000). The borrowings were mainly denominated in Japanese Yen, Thai Baht, United States Dollar and Hong Kong Dollar, and were charged by banks at floating interest rates.

At the end of December 2022, the Group had a net cash deficit (total bank borrowings and bonds, less bank balances and cash and pledged deposits) of HK\$2,455,434,000 (2021: HK\$2,842,027,000).

Gearing ratio, as defined by total bank borrowings and bonds to total equity as at 31 December 2022 was 92% (2021: 107%).

Charges on Group Assets

At the balance sheet date, the Group's had pledged deposits of HK\$308,016,000 (2021: HK\$340,702,000), investment properties with carrying value of HK\$3,656,586,000 (2021: HK\$4,009,163,000) and property, plant and equipment with carrying value of HK\$444,104,000 (2021: HK\$432,137,000) were pledged to banks to secure general banking facilities granted to the Group and for purchase of real estates and working capital. Certain shares of subsidiaries have been pledged to the banks as at 31 December 2021 and 2022 to secure several banking facilities available to the Group.

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

The number of staff of the Group as at 31 December 2022 was 1,022 (2021: 838) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments and share option expenses, amounted to HK\$189,550,000 (2021: HK\$203,173,000) for the year ended 31 December 2022. 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 year ended 31 December 2022, no share options have been exercised. 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

Certain purchase of goods of the Group are dominated in United States dollar. Certain bank balances are dominated in United States Dollar, Australian Dollar, Singapore Dollar, Japanese Yen and Renminbi, while certain bank borrowings are dominated in United States Dollar and Japanese Yen. These currencies are other functional currencies of the relevant group entities. The Group currently does not have comprehensive currency hedging policy. However, the management monitors the currency fluctuation exposure and has entered into foreign currency forward contracts. At 31 December 2022 the Group had outstanding forward contracts of notional amount HK\$193,307,000 (2021: HK\$111,657,000) which were measured at fair value at the reporting date.

Contingent Liabilities

At 31 December 2022, the Group did not have any contingent liabilities or guarantees (31 December 2021: Nil).

ENVIRONMENTAL, SOCIAL AND CORPORATION RESPONSIBILITY

As a responsible company, the Group is committed to maintain high environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including employment, workplace conditions, health and safety and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees and other stakeholders to participate in environmental and social activities which benefit the community as a whole.

The Group maintains strong relationship with its employees, has enhanced cooperation with its vendors and has provided high quality products and services to its customers and resellers so as to ensure sustainable development. Details of the environmental, social and governance are included in the Environmental, Social and Governance Report which will be included in the 2022 annual report.

CORPORATE GOVERNANCE

The Company has complied with the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2022, except for the Code B.2.2 and C.2.1 as disclosed in pages 10 and 11 of the Group's 2021 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 consolidated financial statements for the year ended 31 December 2022, including the accounting principles and practices adopted by the Company, in conjunction with the Company's auditors. The financial figures in this announcement of the Group's results for the year ended 31 December 2022 have been agreed by the Group's external auditor.

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 year ended 31 December 2022.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2022.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website at www.sisinternational.com.hk and the website of the Stock Exchange at www.hkexnews.hk. The 2022 annual report of the Company will be dispatched to shareholders of the Company and published on the above-mentioned websites on or before 30 April 2023.

APPRECIATION

On behalf of the Board, I want to thank and say how grateful I am to the commitments and the dedication of our staff, customers, vendors, business partners, banks, shareholders and those who have stood behind us especially during the Covid-19 period. It is to their credit and that of the senior management team that we have been able to conduct our business effectively in light of this challenging environment.

On behalf of the Board of
SiS International Holdings Limited
LIM Kia Hong
Chairman and Chief Executive Officer

Hong Kong, 30 March 2023

As at the date of this announcement, the executive directors are Mr. Lim Kia Hong, Mr. Lim Kiah Meng, Mr. Lim Hwee Hai, and Madam Lim Hwee Noi. The independent non-executive directors are Ms. Ong Wui Leng and Mr. Ma Shiu Sun, Michael.