



SiS International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00529)

2022

INTERIM REPORT



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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

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

PRINCIPAL PLACE OF BUSINESS

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STOCK CODE

00529

INVESTOR RELATIONS

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AUDITORS

Deloitte Touche Tohmatsu

(*Registered Public Interest Entity Auditor*)

PRINCIPAL BANKERS

DBS Bank Ltd.

Hang Seng Bank Limited

The Hongkong and Shanghai Banking
Corporation Limited

MUFG Bank, Ltd.

OCBC Bank

Standard Chartered Bank (Hong Kong) Limited

Sumitomo Mitsui Banking Corporation

The Tokyo Star Bank, Limited

United Overseas Bank Limited

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited

4th Floor North, Cedar House

41 Cedar Avenue

Hamilton HM 12

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited

17/F, Far East Finance Centre

16 Harcourt Road,

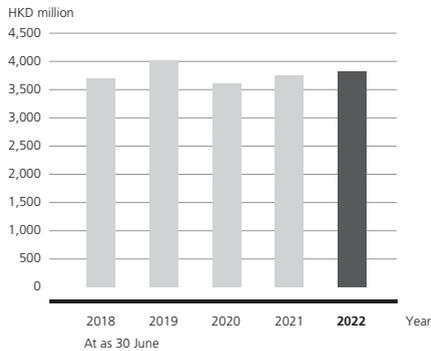
Hong Kong

MESSAGE FROM THE CHAIRMAN AND CEO

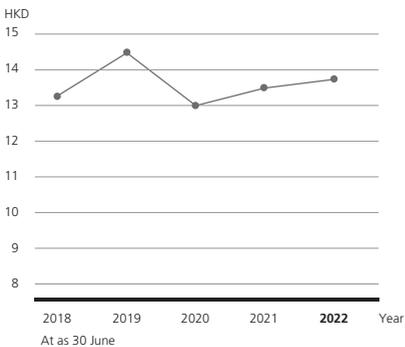
Dear Shareholders,

Amidst the continuous, challenging economic and business environment posed by the resurgence of Covid-19, geopolitical tensions and weakening of Thai Baht and Japanese Yen, the revenue for the group for the six months ended 30 June 2022 declined 8% to HK\$4,781,051,000. Net profit after tax decreased to HK\$26,699,000 mainly attributable to weakening of foreign currencies against Hong Kong Dollar and lower fair value of our holding in investment securities during the first half year 2022.

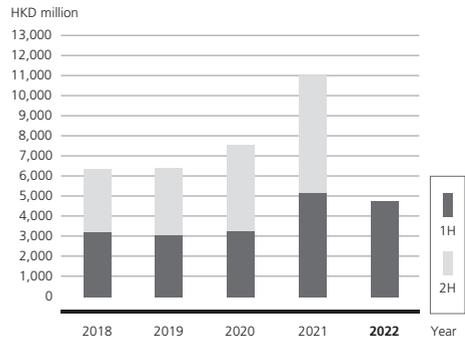
Total equity



Net assets value per share



Revenue



MESSAGE FROM THE CHAIRMAN AND CEO (Cont'd)

BUSINESS REVIEW

Distribution Business

Despite the challenging business environment, supply disruption, rising interest rate and inflation, the total segment profit remained stable at HK\$141,925,000 (2021 interim: HK\$141,117,000) as demand for mobile & IT related products softened. Contributions from the Group's subsidiary in Thailand, was lower as compared to the same period last year, mainly due to the weakening of Thai Baht against Hong Kong Dollar.

Real Estate Investment Business

During the period, the Group's real estate and hospitality portfolio recorded a total valuation gain of HK\$59,183,000 as compared to valuation loss of HK\$53,715,000 in the corresponding period. By excluding fair value change in properties, Singapore, Hong Kong recorded a segment profit while Japan reported a segment loss. Total income from real estate investment business decreased 6% to HK\$123,508,000 (2021 interim: HK\$131,915,000) as compared to the same period last year, primarily due to the weakening of Japanese Yen against Hong Kong Dollar.

When Japan fully reopens its borders and with a weak Japanese Yen, tourists who are eagerly awaiting to visit the country will likely return thus increasing the prospect that the economy will rebound.

Investment in IT, Securities and other Business

The global security market currently remains volatile. The Group's securities investment recorded a segment loss of HK\$80,527,000 as compared to a profit of HK\$33,771,000 in the last corresponding period.

Our associate business in Bangladesh, Information Technology Consultants Limited ("ITCL") contributed steadily to the Group.

Assets Management

Our asset management arm of the Group has established SiS Cloud Global Tech Fund 8 leveraging by the Group's heritage and deep roots in technology over the decades to invest and co-invest in promising technology companies. These include Cloud computing, storage, enterprise SaaS & cyber security companies and funds.

To enable private accredited investors and Institutions an opportunity to invest in SPAC listing, the Group has also established SiS SPAC Investment Fund to invest in SPAC IPO and SPAC shares in response to Singapore Stock Exchange and Hong Kong Stock Exchange allowing companies to be listed on the Exchanges by way of SPAC. Our Asset Management's arm has begun to contribute the Group.

MESSAGE FROM THE CHAIRMAN AND CEO (Cont'd)

PROSPECT

While a resurgence of Covid-19 remains a lingering threat, many parts of the world are moving towards endemicity. Many countries, including Japan are slowly shifting into post-pandemic reopening mode. With the easing of border restrictions and supported by zest and pent-up demand for travel, we are looking forward to a strong recovery in the Group's hotel & hospitality business in Japan.

The Directors are moving cautiously ahead. The outlook for the second half remains uncertain and challenging against a backdrop of rising inflation and higher energy and food costs, escalation of Russia -Ukraine conflicts. The Group remains resilient as it continues to manage, adapt and weather out the headwinds to emerge stronger.

APPRECIATION

On behalf of the Board, I would like to give my biggest thank you and show my gratitude for the commitments and dedication of our staff, customers, vendors, business partners, banks, shareholders and those who are rallying behind us. It is attributed 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/period.

Lim Kia Hong

Chairman and Chief Executive Officer

Hong Kong, 26 August 2022

The directors (the "Directors") of SiS International 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 2022 together with comparative figures for the corresponding period in 2021. 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 2022

		Six months ended	
		30 June 2022	30 June 2021
	NOTES	HK\$'000	HK\$'000
Revenue	3	4,781,051	5,183,858
Cost of sales		<u>(4,471,224)</u>	<u>(4,873,505)</u>
Gross profit		309,827	310,353
Other income		15,285	15,725
Other gains and losses, net	4	(21,954)	3,165
Distribution costs		(108,789)	(112,660)
Administrative expenses		(73,330)	(71,920)
Gain (loss) from changes in fair value of investment properties		59,183	(53,715)
(Loss) gain from changes in fair value of equity instruments at fair value through profit or loss ("FVTPL")		(86,237)	32,090
Impairment losses under expected credit loss model, net of reversal		(12,939)	(13,264)
Share of results of associates		2,344	2,257
Finance costs		<u>(25,357)</u>	<u>(26,601)</u>
Profit before taxation		58,033	85,430
Income tax expense	5	<u>(31,334)</u>	<u>(17,428)</u>
Profit for the period	6	<u><u>26,699</u></u>	<u><u>68,002</u></u>
(Loss) profit for the period attributable to:			
Owners of the Company		(9,460)	24,371
Non-controlling interests		<u>36,159</u>	<u>43,631</u>
		<u><u>26,699</u></u>	<u><u>68,002</u></u>
(LOSS) EARNINGS PER SHARE	7		
— Basic (HK cents)		<u>(3.40)</u>	<u>8.77</u>
— Diluted (HK cents)		<u>(3.40)</u>	<u>8.77</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended	
	30 June	30 June
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	<u>26,699</u>	<u>68,002</u>
Other comprehensive (expense) income:		
<i>Item that will not be reclassified to profit or loss</i>		
Fair value (loss) gain on equity instruments at fair value through other comprehensive income ("FVTOCI")	<u>(4,886)</u>	<u>3,733</u>
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising on translation of foreign operations		
— Subsidiaries	(102,677)	(73,651)
— Associates	<u>(6,730)</u>	<u>(830)</u>
	<u>(109,407)</u>	<u>(74,481)</u>
Other comprehensive expense for the period	<u>(114,293)</u>	<u>(70,748)</u>
Total comprehensive expense for the period	<u>(87,594)</u>	<u>(2,746)</u>
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(98,492)	(25,697)
Non-controlling interests	<u>10,898</u>	<u>22,951</u>
	<u>(87,594)</u>	<u>(2,746)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022

		30 June 2022	31 December 2021
	NOTES	HK\$'000	HK\$'000
Non-current Assets			
Investment properties	9	3,791,450	4,110,724
Property, plant and equipment	9	594,832	649,142
Right-of-use assets		26,795	31,675
Goodwill		126,406	126,406
Interests in associates		100,706	105,092
Equity instruments at FVTPL		143,930	187,609
Equity instruments at FVTOCI		40,903	48,082
Deferred tax assets		79,488	89,382
Other financial assets		9,397	10,064
Other assets		16,620	2,500
		<u>4,930,527</u>	<u>5,360,676</u>
Current Assets			
Inventories		1,018,849	1,359,475
Trade and other receivables, deposits and prepayments	10	1,455,023	1,575,970
Amount due from an associate		324	355
Derivative financial instruments		2,666	394
Tax recoverable		351	519
Equity instruments at FVTPL		78,968	23,369
Pledged bank deposits		341,173	340,702
Bank balances and cash		816,386	976,510
		<u>3,713,740</u>	<u>4,277,294</u>
Current Liabilities			
Trade payables, other payables and accruals	11	962,100	1,180,060
Contract liabilities		14,826	13,005
Lease liabilities		14,777	16,235
Advance lease payments		1,452	1,693
Amount due to an associate		19	20
Dividend payable		5,559	—
Tax payable		39,008	51,644
Bank borrowings	12	2,474,601	2,736,121
Bonds		57,545	—
Rental deposits		10,913	16,515
		<u>3,580,800</u>	<u>4,015,293</u>
Net Current Assets		<u>132,940</u>	<u>262,001</u>
Total Assets less Current Liabilities		<u>5,063,467</u>	<u>5,622,677</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

AT 30 JUNE 2022

		30 June 2022	31 December 2021
	NOTES	HK\$'000	HK\$'000
Non-current Liabilities			
Lease liabilities		38,225	48,708
Advance lease payments		25,570	31,522
Bank borrowings	12	824,814	1,160,335
Bonds		166,202	262,783
Rental deposits		81,252	91,362
Deferred tax liabilities		96,100	108,642
Retirement benefits obligations		21,511	20,415
		<u>1,253,674</u>	<u>1,723,767</u>
Net Assets		<u>3,809,793</u>	<u>3,898,910</u>
Capital and Reserves			
Share capital	13	27,797	27,797
Share premium		73,400	73,400
Other reserves		(128,772)	(39,983)
Retained profits		3,285,681	3,300,943
		<u>3,258,106</u>	<u>3,362,157</u>
Equity attributable to owners of the Company		3,258,106	3,362,157
Non-controlling interests		551,687	536,753
		<u>3,809,793</u>	<u>3,898,910</u>
Total Equity		<u>3,809,793</u>	<u>3,898,910</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Attributable to owners of the Company											Non-controlling interests	Total
	Share capital	Share premium	Investments reserve	Translation reserve	Property revaluation reserve	Contributed surplus	Share options reserve	Other reserve	Retained profits	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note 1)	HK\$'000	HK\$'000 (Note 2)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2021	27,797	73,400	(11,533)	43,099	933	2,860	3,695	(17,558)	3,185,837	3,308,530	402,547	3,711,077	
Profit for the period	—	—	—	—	—	—	—	—	24,371	24,371	43,631	68,002	
Other comprehensive income (expense) for the period	—	—	3,266	(53,334)	—	—	—	—	—	(50,068)	(20,680)	(70,748)	
Total comprehensive income (expense) for the period	—	—	3,266	(53,334)	—	—	—	—	24,371	(25,697)	22,951	(2,746)	
Partial disposal of interest in a subsidiary (Note 2)	—	—	—	(96)	—	—	—	56,057	—	55,961	19,088	75,049	
Redemption of preference shares	—	—	—	—	—	—	—	—	—	—	(2,991)	(2,991)	
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(36,429)	(36,429)	
At 30 June 2021	27,797	73,400	(8,267)	(10,331)	933	2,860	3,695	38,499	3,210,208	3,338,794	405,166	3,743,960	

	Attributable to owners of the Company											Non-controlling interests	Total
	Share capital	Share premium	Investments reserve	Translation reserve	Property revaluation reserve	Contributed surplus	Share options reserve	Other reserve	Retained profits	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note 1)	HK\$'000	HK\$'000 (Note 2)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2022	27,797	73,400	(42,924)	(43,046)	933	2,860	3,695	38,499	3,300,943	3,362,157	536,753	3,898,910	
(Loss) profit for the period	—	—	—	—	—	—	—	—	(9,460)	(9,460)	36,159	26,699	
Other comprehensive expense for the period	—	—	(4,427)	(84,605)	—	—	—	—	—	(89,032)	(25,261)	(114,293)	
Total comprehensive (expense) income for the period	—	—	(4,427)	(84,605)	—	—	—	—	(9,460)	(98,492)	10,898	(87,594)	
Disposal of equity instruments at FVTOCI	—	—	243	—	—	—	—	—	(243)	—	—	—	
Issue of preference shares	—	—	—	—	—	—	—	—	—	—	45,622	45,622	
Dividend recognised as distribution (Note 8)	—	—	—	—	—	—	—	—	(5,559)	(5,559)	—	(5,559)	
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(41,586)	(41,586)	
At 30 June 2022	27,797	73,400	(47,108)	(127,651)	933	2,860	3,695	38,499	3,285,681	3,258,106	551,687	3,809,793	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)*Notes:*

- 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.*
- 2. Other reserve represents a) the difference between the fair value of the consideration (net of transaction costs) 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, amounted to a debit of HK\$17,558,000 and b) the difference by which the non-controlling interests were adjusted and the consideration (net of transaction costs and capital gain tax) in relation to the disposal of partial interest of the Company's interest in SiS Distribution (Thailand) Public Company Limited ("SiS Thai"), whose shares are listed on The Stock Exchange of Thailand, amounted to a credit of HK\$56,057,000. On 25 June 2021, the Group disposed 10,000,000 ordinary shares of SiS Thai, its non-wholly owned subsidiary, to independent third parties, at a consideration of HK\$89,583,000. The percentage of shareholding in such subsidiary decreased from 63.53% to 60.77% as a consequence. The difference between the consideration paid, (net of capital gain tax of HK\$14,534,000), the non-controlling interests adjusted of HK\$19,088,000 and the adjustment to translation reserve of HK\$96,000 (debit), amounted to HK\$56,057,000, has been credited and accumulated under "other reserve".*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended	
	30 June 2022 <i>HK\$'000</i>	30 June 2021 <i>HK\$'000</i>
Net cash from (used in) operating activities	175,163	(2,591)
Investing activities		
Addition of investment properties	(1,638)	(4,386)
Purchase of property, plant and equipment	(9,107)	(8,896)
Proceeds from disposal of property, plant and equipment	26	—
Purchase of equity instruments at FVTOCI	—	(234)
Proceeds from disposal of equity instruments at FVTOCI	1,707	—
Withdrawal of pledged deposits	—	14,820
Placement of pledged deposits	—	(780)
Purchase of other assets	(15,056)	—
Other investing cash flows	724	2,814
Net cash (used in) from investing activities	(23,344)	3,338
Financing activities		
Dividends paid to non-controlling interests	(41,586)	(36,429)
Proceeds from disposal of partial interest in a subsidiary	—	75,049
Redemption of preference shares	—	(2,991)
Interest paid	(24,706)	(25,713)
Issue of preference shares	45,622	—
New bank borrowings raised	2,418,152	2,110,989
Repayments of bank borrowings	(2,645,485)	(2,029,144)
Repayments of lease liabilities	(8,230)	(8,692)
Net cash (used in) from financing activities	(256,233)	83,069
Net (decrease) increase in cash and cash equivalents	(104,414)	83,816
Cash and cash equivalents at 1 January	976,510	795,110
Effect of foreign exchange rate changes	(55,710)	41,164
Cash and cash equivalents at 30 June, represented by bank balances and cash	816,386	920,090

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

The condensed consolidated financial statements of SiS International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) 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.

The outbreak of Covid-19 and the subsequent quarantine measures including the travel restrictions imposed by many countries have had negative impacts to the global economy and business environment which directly and indirectly affected the operations of the Group. Although some of the hotels of the Group had resumed their operation, the hotel occupancy rates in Japan were still severely impacted throughout the interim period in 2022. As such, the valuation of properties and short-term performance of the business to the Group were still affected in different aspects.

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, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2021.

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 mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
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

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

Application of amendments to HKFRSs (Cont'd)

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.

2.1 Impacts and changes in accounting policies on application of Amendments to HKFRS 3 "Reference to the Conceptual Framework"

2.1.1 Accounting policies

For business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the "Conceptual Framework") except for transactions and events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

2.1.2 Transition and summary of effects

The application of the amendments in the current period had no impact on the condensed consolidated financial statements.

2.2 Impacts and accounting policies on application of Amendments to HKAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"

2.2.1 Accounting policies

Property, plant and equipment

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing the related assets functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

Application of amendments to HKFRSs (Cont'd)

2.2 *Impacts and accounting policies on application of Amendments to HKAS 16 "Property, Plant and Equipment — Proceeds before Intended Use" (Cont'd)*

2.2.2 *Transition and summary of effects*

The application of the amendments has had no material impact on the Group's financial position and performance.

2.3 *Impacts and accounting policies on application of Amendments to HKAS 37 "Onerous Contracts — Cost of Fulfilling a Contract"*

2.3.1 *Accounting policies*

Provisions

Onerous Contract

The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. When assessing whether a contract is onerous or loss-making, the Group includes costs that relate directly to the contract, consisting of both the incremental costs (to specify, e.g. direct labour and materials) and an allocation of other costs (to specify, e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract) that relate directly to fulfilling contracts.

2.3.2 *Transition and summary of effects*

The application of the amendments has had no material impact on the Group's financial position and performance.

2.4 *Impacts on application of Amendments to HKFRSs "Annual Improvements to HKFRSs 2018–2020"*

The Group has applied the annual improvements which make amendments to the following standards:

HKFRS 9 "Financial Instruments"

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the "10 per cent" test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June 2022			For the six months ended 30 June 2021		
	Distribution of mobile and IT products	Hotels operations	Total	Distribution of mobile and IT products	Hotels operations	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Types of goods or service						
Distribution of mobile and IT products						
Mobile products	1,586,412	—	1,586,412	2,117,547	—	2,117,547
IT related products	3,051,974	—	3,051,974	2,908,592	—	2,908,592
	<u>4,638,386</u>	<u>—</u>	<u>4,638,386</u>	<u>5,026,139</u>	<u>—</u>	<u>5,026,139</u>
Commission income	19,157	—	19,157	25,804	—	25,804
	<u>19,157</u>	<u>—</u>	<u>19,157</u>	<u>25,804</u>	<u>—</u>	<u>25,804</u>
Hotel Operations						
Room revenue	—	17,230	17,230	—	8,415	8,415
Food and beverage	—	13,446	13,446	—	9,208	9,208
	<u>—</u>	<u>30,676</u>	<u>30,676</u>	<u>—</u>	<u>17,623</u>	<u>17,623</u>
Revenue from contracts with customers	<u>4,657,543</u>	<u>30,676</u>	<u>4,688,219</u>	<u>5,051,943</u>	<u>17,623</u>	<u>5,069,566</u>
Leasing of investment properties			92,832			114,292
			<u>92,832</u>			<u>114,292</u>
Total revenue			<u>4,781,051</u>			<u>5,183,858</u>
Geographical market						
Hong Kong	1,078,171	—	1,078,171	1,241,296	—	1,241,296
Thailand	3,579,372	—	3,579,372	3,810,647	—	3,810,647
Japan	—	30,676	30,676	—	17,623	17,623
	<u>—</u>	<u>30,676</u>	<u>30,676</u>	<u>—</u>	<u>17,623</u>	<u>17,623</u>
Total before leasing of investment properties	<u>4,657,543</u>	<u>30,676</u>	<u>4,688,219</u>	<u>5,051,943</u>	<u>17,623</u>	<u>5,069,566</u>
Timing of revenue recognition						
At a point in time	4,657,543	13,446	4,670,989	5,051,943	9,208	5,061,151
Over time	—	17,230	17,230	—	8,415	8,415
	<u>—</u>	<u>17,230</u>	<u>17,230</u>	<u>—</u>	<u>8,415</u>	<u>8,415</u>
Total before leasing of investment properties	<u>4,657,543</u>	<u>30,676</u>	<u>4,688,219</u>	<u>5,051,943</u>	<u>17,623</u>	<u>5,069,566</u>

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

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		Property investment and hotel operation		Securities investment	Consolidated
	Hong Kong HK\$'000	Thailand HK\$'000	Japan HK\$'000	Other regions HK\$'000	HK\$'000	HK\$'000
For the six months ended 30 June 2022						
<i>Segment revenue</i>						
— Revenue from contracts with customers	1,078,171	3,579,372	30,676	—	—	4,688,219
— Leasing of investment properties	—	—	79,155	13,677	—	92,832
External sales	<u>1,078,171</u>	<u>3,579,372</u>	<u>109,831</u>	<u>13,677</u>	<u>—</u>	<u>4,781,051</u>
<i>Segment profit (loss)</i>	<u>22,544</u>	<u>119,381</u>	<u>51,614</u>	<u>6,843</u>	<u>(80,527)</u>	119,855
Share of results of associates						2,344
Finance costs						(25,357)
Other unallocated income						2,366
Unallocated corporate expenses						(41,175)
Profit before taxation						<u>58,033</u>

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

	Distribution of mobile and IT products		Property investment and hotel operation		Securities investment	Consolidated
	Hong Kong HK\$'000	Thailand HK\$'000	Japan HK\$'000	Other regions HK\$'000	HK\$'000	HK\$'000
For the six months ended 30 June 2021						
<i>Segment revenue</i>						
— Revenue from contracts with customers	1,241,296	3,810,647	17,623	—	—	5,069,566
— Leasing of investment properties	—	—	92,608	21,684	—	114,292
External sales	<u>1,241,296</u>	<u>3,810,647</u>	<u>110,231</u>	<u>21,684</u>	<u>—</u>	<u>5,183,858</u>
<i>Segment profit (loss)</i>	<u>14,566</u>	<u>126,551</u>	<u>(40,181)</u>	<u>(269)</u>	<u>33,771</u>	134,438
Share of results of associates						2,257
Finance costs						(26,601)
Other unallocated income						369
Unallocated corporate expenses						(25,033)
Profit before taxation						<u>85,430</u>

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

4. OTHER GAINS AND LOSSES, NET

	Six months ended	
	30 June 2022 HK\$'000	30 June 2021 HK\$'000
Exchange loss, net	(24,348)	(1,361)
Gain on disposal of property, plant and equipment	11	28
Gain from changes in fair value of derivative financial instruments	<u>2,383</u>	<u>4,498</u>
	<u>(21,954)</u>	<u>3,165</u>

5. INCOME TAX EXPENSE

	Six months ended	
	30 June	30 June
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge (credit) comprises:		
Hong Kong Profits Tax		
Current period	<u>824</u>	<u>1,852</u>
Overseas Tax		
Current period	25,585	33,275
Under (over) provision in respect of prior periods	81	(128)
Withholding tax on dividend paid	<u>579</u>	<u>651</u>
	<u>26,245</u>	<u>33,798</u>
Deferred taxation	<u>4,265</u>	<u>(18,222)</u>
Income tax expense for the period	<u><u>31,334</u></u>	<u><u>17,428</u></u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Corporate Tax in Thailand is calculated at 20% of the estimated assessable profit for both periods.

Corporate Tax in Japan is calculated at 23.2% on the estimated assessable profit for both periods. 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 entities.

Other overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

6. PROFIT FOR THE PERIOD

	Six months ended	
	30 June	30 June
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period has been arrived at after charging (crediting):		
Cost of inventories recognised in cost of sales	4,398,902	4,777,242
Depreciation of property, plant and equipment	15,403	16,419
Depreciation of right-of-use assets	6,233	6,169
Share of tax expense of associates	21	24
Write-down of inventories	4,327	6,631
Interest income on bank deposits	<u>(1,195)</u>	<u>(1,487)</u>

7. (LOSS) EARNINGS PER SHARE

The calculation of both basic and diluted (loss) earnings per share is based on the Group's loss attributable to owners of the Company of HK\$9,460,000 (for the six months ended 30 June 2021: Group's profit attributable to owners of the Company of HK\$24,371,000) and the number of ordinary shares calculated below.

	Six months ended	
	30 June	30 June
	2022	2021
Number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	<u>277,966,666</u>	<u>277,966,666</u>

The computation of diluted (loss) earnings per share for the six months ended 30 June 2022 and 30 June 2021 did not assume the exercise of all share options of the Company and share options of SiS Mobile as the exercise prices of those options were higher than the average market prices of the Company and SiS Mobile for the both periods.

8. DIVIDENDS

	Six months ended	
	30 June 2022	30 June 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Final dividend, payable in respect of the year ended 31 December 2021 of 2 HK cents per share (for the six months ended 30 June 2021: no dividend distributed in respect of the year ended 31 December 2020)	<u>5,559</u>	<u>—</u>

The Directors of the Company do not recommend the payment of interim dividend for the six months ended 30 June 2022.

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

The Group's investment properties in Hong Kong, Singapore and Thailand as at 30 June 2022 were fair valued by the Directors by reference to comparable market transactions as available in the relevant market. Appropriate adjustments have been made to reflect the difference in market conditions and characteristics of each property such as location, size, view, age and etc. There has been no change from the valuation techniques used in the prior year. The resulting decrease in fair value of these investment properties of HK\$5,740,000 (for the six months ended 30 June 2021: HK\$21,320,000) has been recognised in the profit or loss for the current period.

The Group's investment properties in Japan as at 30 June 2022 were fair valued by the Directors by capitalisation of the net income with due allowance for outgoings and provisions for reversionary income potential. There has been no change from the valuation techniques used in the prior year. The resulting increase in fair value of these investment properties of HK\$64,923,000 (decrease in fair value for the six months ended 30 June 2021: HK\$32,395,000) has been recognised in the profit or loss for the current period.

During the period, the Group spent approximately HK\$9,107,000 (for the six months ended 30 June 2021: HK\$8,896,000) and HK\$1,638,000 (for the six months ended 30 June 2021: HK\$4,386,000) on the addition 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 and lease receivables of HK\$1,180,989,000 and HK\$9,182,000, respectively (31 December 2021: HK\$1,336,312,000 and HK\$11,297,000 respectively).

The following is an analysis of trade receivables and lease receivables by age, net of allowance for credit losses, presented based on the invoice date for trade receivables and demand note date for lease receivables:

	30 June 2022 <i>HK\$'000</i>	31 December 2021 <i>HK\$'000</i>
Within 30 days	654,817	1,218,277
31 to 90 days	386,778	87,131
91 to 120 days	44,844	20,429
Over 120 days	<u>103,732</u>	<u>21,772</u>
	<u><u>1,190,171</u></u>	<u><u>1,347,609</u></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 sale of goods, the Group allows credit period of 30 to 90 days to its trade customers. No credit period is granted to customers for renting of properties. Rent is payable 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\$601,380,000 (31 December 2021: HK\$787,905,000). The following is an analysis of trade payables by age, presented based on the invoice date.

	30 June 2022 <i>HK\$'000</i>	31 December 2021 <i>HK\$'000</i>
Within 30 days	464,817	601,228
31 to 90 days	122,844	165,334
91 to 120 days	4,278	3,156
Over 120 days	9,441	18,187
	<u>601,380</u>	<u>787,905</u>

The average credit period on purchase of goods is 30 to 60 days.

12. BANK BORROWINGS

During the current interim period, the Group repaid bank borrowings of HK\$2,645,485,000 (for the six months ended 30 June 2021: HK\$2,029,144,000) and obtained new short-term bank borrowings amounting to HK\$2,418,152,000 (for the six months ended 30 June 2021: HK\$2,110,989,000).

The bank borrowings with repayment on demand clause amounted to HK\$375,172,000 (31 December 2021: HK\$389,891,000) of which non-current portion of HK\$367,734,000 (31 December 2021: HK\$382,453,000) was included in current liabilities.

13. SHARE CAPITAL

	No. of ordinary shares of HK\$0.10 each	Nominal value <i>HK\$'000</i>
Authorised	<u>350,000,000</u>	<u>35,000</u>
Issued and fully paid		
At 1 January 2021, 30 June 2021, 31 December 2021 and 30 June 2022	<u>277,966,666</u>	<u>27,797</u>

14. SHARE-BASED PAYMENTS**(a) Share Options Scheme of the Company**

A new share option scheme was adopted by the Company on 26 May 2017 (the "New Scheme"), while the old share option scheme adopted by the Company on 21 May 2007 had expired on 20 May 2017 (the "Old Scheme"). The Old Scheme and New scheme are collectively referred as SiS International Share Option Scheme (the "SiS International Share Option Scheme"). Pursuant to the SiS International Share Option Scheme, the Company may grant options to qualified persons, including employees and Directors, its subsidiaries and associates, and third parties with a view to maintain business relationship with such persons to subscribe for shares of the Company.

Grantee	Outstanding at 1 January 2022 and 30 June 2022
Directors	990,000
Employees and others	1,260,000
	<u>2,250,000</u>

No options were granted, exercised, lapsed or forfeited during the six months ended 30 June 2022 and 30 June 2021.

(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 its related companies.

Grantee of SiS Mobile	Outstanding at 1 January 2022 and 30 June 2022
Directors	6,390,000
Employees and others	1,200,000
	<u>7,590,000</u>

No options were granted, exercised, lapsed or forfeited during the six months ended 30 June 2022 and 30 June 2021.

15. PLEDGE OF ASSETS

At the end of the reporting period,

- (a) the Group's investment properties with carrying amounts of HK\$3,693,340,000 (31 December 2021: HK\$4,009,163,000) and property, plant and equipment with carrying amounts of HK\$384,962,000 (31 December 2021: HK\$432,137,000) were under legal charge to secure general banking facilities available to the Group;
- (b) bank deposits of HK\$341,173,000 (31 December 2021: HK\$340,702,000) were pledged to secure bank loans; and
- (c) certain shares of subsidiaries have been pledged to the banks at both 30 June 2022 and 31 December 2021 to secure several banking facilities available to the Group.

Restriction on assets

Included in lease liabilities, there are HK\$26,965,000 (31 December 2021: HK\$31,963,000) which are recognised with related right-of-use assets of HK\$26,795,000 (31 December 2021: HK\$31,675,000) as at 30 June 2022. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

16. RELATED PARTY TRANSACTIONS

- (a) During the current period, the Group had the following transactions with related parties:

Nature of transactions	Six months ended	
	30 June 2022	30 June 2021
	HK\$'000	HK\$'000
Sales of goods	—	323
Purchase of goods	—	128,787
Other services fee income	—	1,537
Service expenses	<u>2,987</u>	<u>3,410</u>

- (b) Remuneration paid or payable to the Directors who are considered to be the key management personnel for the six months ended 30 June 2022 was HK\$7,806,000 (for the six months ended 30 June 2021: HK\$6,254,000).

17. CAPITAL COMMITMENTS

	30 June 2022 <i>HK\$'000</i>	31 December 2021 <i>HK\$'000</i>
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
Refurbishment of investment properties	<u>2,145</u>	<u>465</u>

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Certain of the Group's financial assets are measured at fair value at the end of each reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable. These financial assets are determined (in particular, the valuation techniques 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 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).

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Cont'd)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Cont'd)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30.06.2022 HK\$'000	31.12.2021 HK\$'000		
1. Listed equity securities classified as equity instruments at FVTPL	222,898	210,978	Level 1	Quoted bid prices in active markets.
2. Listed equity securities classified as equity instrument at FVTOCI	18,843	23,842	Level 1	Quoted bid prices in active markets.
3. Unquoted equity investments classified as equity instrument at FVTOCI	22,060	24,240	Level 3	The discount cash flows method and discount rate of 9.7% (31 December 2021: 9.7%) was used to capture the present value of the expected future economic benefit to be derived from the ownership of these investees (<i>Note 1</i>). Discount of 25% to 30% (31 December 2021: ranging from 25% to 30%) for lack of marketability, determined by reference to the share price of listed entities in similar industries (<i>Note 2</i>). Significant unobservable inputs: Revenue growth ranging from 30% to 61% (31 December 2021: 30% to 61%).
4. Foreign currency forward contracts classified as derivative financial instruments	2,666	394	Level 2	Discounted cash flow: Future cash flows are estimated based on quoted forward exchange rates, which is observable at the end of period end.

Note 1: A slight increase in the discount rate used in isolation would result in a significant decrease in the fair value measurement of the private equity investments, and vice versa.

Note 2: An increase in the discount for lack of marketability or discount rate would result in a decrease in the fair value measurement of unquoted equity investment, and vice versa.

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Cont'd)

- (i)
- Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Cont'd)**

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTOCI HK\$'000
At 1 January 2021	65,386
Net fair value loss in other comprehensive income	(4,348)
Transfer to Level 1 fair value measure (<i>Note</i>)	(5,588)
Purchase	234
At 30 June 2021	<u>55,684</u>
At 1 January 2022	24,240
Net fair value loss in other comprehensive income	(230)
Disposal	<u>(1,950)</u>
At 30 June 2022	<u>22,060</u>

Note: The Group owned 0.05% equity interest in a private company that was classified as equity instruments at FVTOCI and was measured at fair value at each reporting date. The fair value of the investment as at 1 January 2021 was approximately amounts to HK\$5,588,000. The fair value of the investment as at 1 January 2021 was measured using a valuation technique with significant unobservable input and was classified as Level 3 of the fair value hierarchy. Such company became listed on London Stock Exchange during the prior period and accordingly the fair value measurement of such investment had been reclassified from Level 3 to Level 1 since there is quoted bid prices available in an active market. Therefore, the fair value of the investment was then determined based on quoted bid prices in an active market and was classified as Level 1 of the fair value hierarchy.

Other than mentioned above, there were no other transfers between Level 1, 2 and 3 during both periods presented.

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Cont'd)**(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 of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair value.

The directors of the Company consider that the carrying amounts of long-term borrowing and bonds approximate to their fair value as they are carried at variable market interest rates.

19. COMPARATIVE FIGURE

Comparative figure for "(loss) gain from changes in fair value of equity instruments at FVTPL" have been reclassified from "other gains and losses, net" and separately presented on the condensed consolidated statement of profit or loss to conform with current period's presentation.

INTERIM DIVIDEND

The Directors do not recommend the payment of interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

FINANCIAL REVIEW AND ANALYSIS

Liquidity and Financial Resources

As at 30 June 2022, the Group had total assets of HK\$8,644,267,000 which were financed by total equity of HK\$3,809,793,000 and total liabilities of HK\$4,834,474,000. The Group had current ratio of approximately 1.04 compared to that of approximately 1.07 as at 31 December 2021.

As at 30 June 2022, the Group had bank deposits balances and cash of HK\$1,157,559,000 (31 December 2021: HK\$1,317,212,000), out of which HK\$341,173,000 (31 December 2021: HK\$340,702,000) were 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 30 June 2022, the Group had short term borrowings and bonds of HK\$2,532,146,000 (31 December 2021: HK\$2,736,121,000) and long term borrowings and bonds of HK\$991,016,000 (31 December 2021: HK\$1,423,118,000). The borrowings were mainly denominated in Japanese Yen, United States Dollars, Thai Baht and Hong Kong Dollars and were charged by banks at floating interest rate.

As at 30 June 2022, the Group had net cash deficit (total bank borrowings and bonds less bank balances and cash and pledged bank deposits) of HK\$2,365,603,000 (31 December 2021: HK\$2,842,027,000).

Gearing ratio, as defined by total bank borrowings and bonds to total equity as at 30 June 2022 was 92% (31 December 2021: 107%).

Charges on Group Assets

As at 30 June 2022, the Group had pledged bank deposits of HK\$341,173,000 (31 December 2021: HK\$340,702,000) and investment properties with carrying values of HK\$3,693,340,000 (31 December 2021: HK\$4,009,163,000) and property, plant and equipment with carrying value of HK\$384,962,000 (31 December 2021: HK\$432,137,000) were pledged to banks to secure general banking facilities granted to the Group and for purchase of investment properties and working capital. Certain shares of subsidiaries have been pledged to the banks as at 30 June 2022 and 31 December 2021 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 2022 was 907 (30 June 2021: 798) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments, amounted to HK\$97,130,000 (30 June 2021: HK\$94,337,000). 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 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 Dollars. Certain bank balances are dominated in United States Dollars, Australian Dollars, Singapore Dollars, Japanese Yen and Renminbi, while certain bank borrowings are dominated in United States Dollars and Japanese Yen. These currencies are other functional currencies of the relevant group entities. Except for a few foreign currency forward contracts, the Group currently does not have comprehensive currency hedging policy. However, the management monitors the currency fluctuation exposure and will consider hedging significant currency risk exposure should the need arise.

Capital Expenditure

During the period, the Group spent approximately HK\$9,107,000 (six months ended 30 June 2021: HK\$8,896,000) and HK\$1,638,000 (six months ended 30 June 2021: HK\$4,386,000) on addition of property, plant and equipment and investment properties respectively.

OTHER INFORMATION**Directors' Interests In Shares**

At 30 June 2022, 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 Stock Exchange of Hong Kong Limited ("HKEX") 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)	Percentage	
					Total number of issued shares held	of the issued share capital of the Company
Lim Kia Hong	6,933,108	400,000	—	178,640,000	185,973,108	66.90%
Lim Kiah Meng	5,403,200	250,000	534,000	178,640,000	184,827,200	66.49%
Lim Hwee Hai (Note 3)	4,493,200	4,751,158	—	—	9,244,358	3.33%
Lim Hwee Noi (Note 3)	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.

(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 subsidiaries of the Company**

- (a) Ordinary share of HK\$0.10 each of SiS Mobile Holdings Limited ("SiS Mobile"), which is listed on the Main Board of the HKEX (Stock Code: 1362)

Name of Director	Personal interests	Family interests	Joint interests	Corporate Interests	Percentage	
					ordinary shares held	of the issued share capital of SiS Mobile
			(Note 1)	(Notes 2 and 3)		
Lim Kia Hong	1,846,754	128,000	—	203,607,467	205,582,221	73.42%
Lim Kiah Meng	1,729,024	80,000	170,880	203,607,467	205,587,371	73.42%
Lim Hwee Hai (Note 4)	1,065,984	1,145,330	—	—	2,211,314	0.79%
Lim Hwee Noi (Note 4)	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 Limited. It is owned as to approximately 50.50% 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.

OTHER INFORMATION (Cont'd)**Directors' Interests In Shares (Cont'd)****(iii) Long positions in the shares and underlying shares of subsidiaries of the Company (Cont'd)**

- (b) 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	Approximate% of issued share capital of SiS Thai
Lim Kia Hong	241,875	214,510,470	214,752,345	60.84%

Note: The Company indirectly holds 214,510,470 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 66.90% in the Company, therefore Mr. Lim has deemed corporate interest in SiS Thai under the SFO.

(iv) Share options of SiS Mobile, a subsidiary of the Company

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Outstanding at 1 January 2022 and 30 June 2022
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 corporation of the Company**

Ordinary share of 10 Taka each of Information Technology Consultants Limited ("ITCL"), which is incorporated in Bangladesh, and is listed in The Dhaka Stock Exchange and The Chittagong Stock Exchange.

Name of Director	Corporate Interests (Note)	Approximate % of issued share capital of ITCL
Lim Kiah Meng	59,210,840	46.05%

Note: A related corporation which is jointly owned by Mr. Lim Kiah Meng and his spouse hold 10,863,862 ordinary shares in ITCL, while the Company indirectly holds 48,346,978 ordinary shares. As disclosed in (i) above, Mr. Lim Kiah Meng and his family has total interest of 66.49% in the Company, therefore Mr. Lim has deemed corporate interest of 48,346,978 in ITCL under the SFO.

Other than as disclosed above, none of the Directors, nor their associates, had any interests or short positions in any shares and underlying shares or debentures of the Company or any of its associated corporations at 30 June 2022.

OTHER INFORMATION (Cont'd)**Share Options**

For details of the Company's share option scheme, please refer to note 37 to the consolidated financial statement and pages 33 to 35 in the 2021 annual report.

The following table discloses movements in the Company's share options during the period:

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Number of outstanding share option at 1 January 2022 and 30 June 2022
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
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	50,000
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	50,000
Lim Kiah Meng				
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	50,000
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	50,000
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	50,000
Lim Hwee Hai				
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	50,000
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	50,000
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	50,000
Lim Hwee Noi				
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	50,000
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	50,000
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	50,000
Lee Hiok Chuan				
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	40,000
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	40,000
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	40,000
Ong Wui Leng				
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	40,000
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	40,000
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	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
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	50,000
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	50,000
Total directors and their associates				990,000

OTHER INFORMATION (Cont'd)**Share Options (Cont'd)**

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Number of outstanding share option at 1 January 2022 and 30 June 2022
Employees and other qualified persons:				
26.06.2015	27.06.2015–31.12.2015	01.01.2016–26.06.2025	4.47	420,000
26.06.2015	27.06.2015–31.12.2016	01.01.2017–26.06.2025	4.47	420,000
26.06.2015	27.06.2015–31.12.2017	01.01.2018–26.06.2025	4.47	420,000
Total employees and other qualified persons				1,260,000
Total number of share options				2,250,000

No share options were granted, exercised, lapsed or forfeited during the six months ended 30 June 2022.

Substantial Shareholders

As at 30 June 2022, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and the chief executive, 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)	Total number of issued ordinary shares held	Percentage of the issued share capital of the Company
Yeo Seng Chong	1,248,000	1,220,000	12,146,000	14,614,000	5.26%
Lim Mee Hwa	1,220,000	1,248,000	12,146,000	14,614,000	5.26%

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 a corporation which 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 HKEX (the "Listing Rules") throughout the period ended 30 June 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 interim report for the six months ended 30 June 2022, including the accounting policies 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 ended 30 June 2022.

On behalf of the Board of
SiS International Holdings Limited

LIM Kia Hong

Chairman and Chief Executive Officer

Hong Kong, 26 August 2022