



SiS International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00529)



INTERIM REPORT

2023

CONTENTS

- 2 Corporate Information
- 3 Message from the Chairman and CEO
- 6 Condensed Consolidated Statement of Profit or Loss
- 7 Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 8 Condensed Consolidated Statement of Financial Position
- 10 Condensed Consolidated Statement of Changes in Equity
- 12 Condensed Consolidated Statement of Cash Flows
- 13 Notes to the Condensed Consolidated Financial Statements
- 30 Interim Dividend
- 30 Financial Review and Analysis
- 32 Other Information



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:

Ma Shiu Sun Michael

Ng See Wai Rowena

Tan Song Ping

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

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

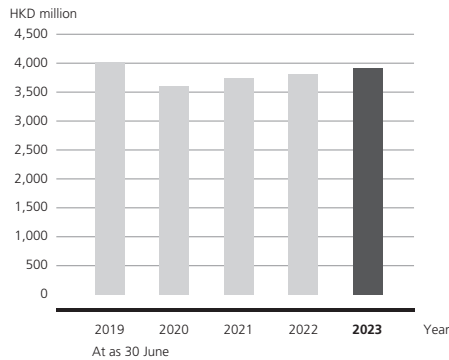
Dear Shareholders,

I am delighted to present the Group's financial results for the six-month period ending on June 30, 2023.

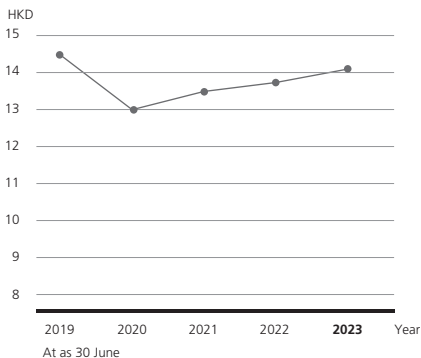
Financial Performance

In comparison to the corresponding period last year, our net profit has shown an impressive surge of 94%, reaching an HK\$51,819,000 while our revenue experienced a decline to HK\$4,371,945,000. The decline reflects the challenges posed by the current market environment. The remarkable growth in net profit can be attributed to the rebound in the market value of our investment portfolio, mainly in US-listed securities.

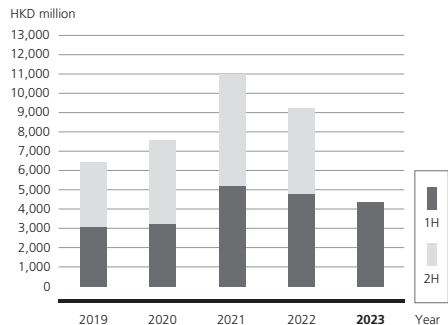
Total equity



Net assets value per share



Revenue



MESSAGE FROM THE CHAIRMAN AND CEO (Cont'd)

BUSINESS REVIEW

During this review period, our business operations have encountered an amplified impact of geopolitical tensions, particularly prevalent in Hong Kong. Elevated interest rates, persistent high inflation, slower economic growth, and an escalated cost of living have presented an intricate business landscape. Nonetheless, a glimmer of hope emerges from the gradual resumption of travel post-COVID-19, providing a ray of positivity and encouragement, even though recovery remains gradual.

Distribution Business

The current political uncertainties in Thailand combined with the effects of high interest rates and inflation have reverberated across business and consumer sectors in both Thailand and Hong Kong. Despite government stimulus measures, our distribution business experienced a contraction in revenue by 9% as compared to the same period last year to reach HK\$4,218,113,000 for the interim period. Additionally, our segment profit experienced a decrease, amounted HK\$109,295,000 for the period ended 30 June 2023. This decline stemmed primarily from subdued demand for mobile phones across all regions. However, a moderate growth in demand for IT products and services has been observed from enterprise clients.

Real Estate Investment Business

Our real estate investment business has marked an increase of 25% in total revenue, reaching HK\$153,832,000, as compared to HK\$123,508,000 in the corresponding period last year. This growth can be attributed to Japan's easing of border travel restrictions resulting in a swift resurgence in tourism and the hospitality sector. Nevertheless, the profitability of this segment continued to be confronted by escalating operational costs, especially in higher utility charges as well as labor shortages. The sluggishness in the Hong Kong property market further affected the fair valuation of our property portfolio, culminating in a decrease of HK\$13,115,000, in contrast to the fair value gain of HK\$59,183,000 for the corresponding period.

As we look ahead, we anticipate growth in revenue from rental leases and hotel operations within the hospitality sector, propelled by an uptick in spending by foreign tourists. The anticipated resumption of China-Japan-bound group tours, coupled with the prevailing weak Yen, is expected to invigorate the hospitality sector in the latter half of the year.

Investment in IT, Securities and other Business

The resurgence of our investment portfolio within the US stock market has yielded a segment profit of HK\$29,767,000. This stands in stark contrast to the segment loss of HK\$80,527,000 during the same period in the previous year. Our associate company, IT Consultants Limited in Bangladesh, with a significant presence in electronic payment system services has contributed positively to the Group's performance.

MESSAGE FROM THE CHAIRMAN AND CEO (Cont'd)

Assets Management

Despite the volatility observed in the public tech sector, SiS Cloud Global Tech Fund 8 remained focused on exploring investment opportunities in private growth technology companies specializing in Cloud computing, Cyber security, Enterprise software SaaS, and AI. We are excited to continue investing and nurturing the potential in this arena. Additionally, our SiS SPAC Investment Fund holds investments in SPAC companies and we are eagerly waiting for their Despac to materialize in the upcoming year.

PROSPECT

Confronted by a challenging landscape, the Group is taking a cautious yet optimistic stance. Drawing upon our expansive portfolio of hotels and hospitality offerings, diverse IT products portfolio and extensive distribution networks across the Asian region, strong financial foundation, and adept management team, we remain resolute in navigating through obstacles with precision. This juncture presents an optimal moment for strategically positioning ourselves toward a promising future.

APPRECIATION

On behalf of the Board, I extend our sincere appreciation to our dedicated staff for their unwavering commitment and invaluable contributions. Our gratitude also extends to our esteemed customers, valued business partners who have stood as pillars of support during these testing times. Through their collective efforts, we have adeptly steered our business amid the challenges we have faced.

In closing, I would also like to express my gratitude to our shareholders for their trust. We remain committed to creating sustainable value and embracing the myriad opportunities that lie ahead.

Lim Kia Hong

Chairman and Chief Executive Officer

Hong Kong, 25 August 2023

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 2023 together with comparative figures for the corresponding period in 2022. 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 2023

	NOTES	Six months ended	
		30 June 2023 HK\$'000	30 June 2022 HK\$'000
Revenue	3	4,371,945	4,781,051
Cost of sales		<u>(4,082,249)</u>	<u>(4,471,224)</u>
Gross profit		289,696	309,827
Other income		18,824	15,285
Other gains and losses, net	4	(11,591)	(21,954)
Distribution costs		(117,396)	(108,789)
Administrative expenses		(73,389)	(73,330)
Gain (loss) from changes in fair value of equity instruments at fair value through profit or loss ("FVTPL")		28,484	(86,237)
(Loss) gain from changes in fair value of investment properties		(13,115)	59,183
Impairment losses under expected credit loss model, net of reversal		(14,775)	(12,939)
Share of results of associates		2,340	2,344
Finance costs		<u>(36,791)</u>	<u>(25,357)</u>
Profit before taxation		72,287	58,033
Income tax expense	5	<u>(20,468)</u>	<u>(31,334)</u>
Profit for the period	6	<u>51,819</u>	<u>26,699</u>
Profit (loss) for the period attributable to:			
Owners of the Company		20,380	(9,460)
Non-controlling interests		<u>31,439</u>	<u>36,159</u>
		<u>51,819</u>	<u>26,699</u>
EARNINGS (LOSS) PER SHARE	7		
— Basic (HK cents)		<u>7.33</u>	<u>(3.40)</u>
— Diluted (HK cents)		<u>7.33</u>	<u>(3.40)</u>

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

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Six months ended	
	30 June 2023 <i>HK\$'000</i>	30 June 2022 <i>HK\$'000</i>
Profit for the period	<u>51,819</u>	<u>26,699</u>
Other comprehensive income (expense):		
<i>Item that will not be reclassified to profit or loss</i>		
Fair value gain (loss) on equity instruments at fair value through other comprehensive income ("FVTOCI")	<u>1,464</u>	<u>(4,886)</u>
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising on translation of foreign operations		
— Subsidiaries	(51,917)	(102,677)
— Associates	<u>(2,666)</u>	<u>(6,730)</u>
	<u>(54,583)</u>	<u>(109,407)</u>
Other comprehensive expense for the period	<u>(53,119)</u>	<u>(114,293)</u>
Total comprehensive expense for the period	<u>(1,300)</u>	<u>(87,594)</u>
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(26,172)	(98,492)
Non-controlling interests	<u>24,872</u>	<u>10,898</u>
	<u>(1,300)</u>	<u>(87,594)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2023

		30 June 2023	31 December 2022
	NOTES	HK\$'000	HK\$'000
Non-current Assets			
Investment properties	9	3,427,570	3,764,871
Property, plant and equipment	9	686,938	673,004
Right-of-use assets		41,298	29,310
Goodwill		126,406	126,406
Interests in associates		94,461	94,788
Equity instruments at FVTPL		228,029	188,412
Equity instruments at FVTOCI		48,580	47,296
Deferred tax assets		87,079	80,753
Other financial assets		4,608	4,577
Other assets		2,500	2,500
		4,747,469	5,011,917
Current Assets			
Inventories		930,617	1,062,338
Trade and other receivables, deposits and prepayments	10	1,607,981	1,504,190
Amount due from an associate		280	292
Derivative financial instruments		2,795	—
Tax recoverable		5,366	5,193
Equity instruments at FVTPL		89,606	86,419
Pledged bank deposits		315,023	308,016
Cash and cash equivalents		928,387	862,086
		3,880,055	3,828,534
Assets classified as held for sale	11	71,544	—
		3,951,599	3,828,534
Current Liabilities			
Trade payables, other payables and accruals	12	1,004,012	929,323
Contract liabilities		13,836	17,480
Lease liabilities		17,711	15,651
Advances lease payments		1,330	1,482
Amounts due to related parties		1,519	19
Derivative financial instruments		—	11,817
Dividend payable		5,559	—
Tax payable		30,309	24,483
Bank borrowings	13	2,612,297	2,549,538
Bonds		21,951	59,586
Rental deposits		12,054	12,835
		3,720,578	3,622,214
Net Current Assets		231,021	206,320
Total Assets less Current Liabilities		4,978,490	5,218,237

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

AT 30 JUNE 2023

		30 June 2023	31 December 2022
	NOTES	HK\$'000	HK\$'000
Non-current Liabilities			
Lease liabilities		44,553	38,767
Advance lease payments		21,028	24,065
Bank borrowings	13	664,915	844,315
Bonds		139,949	172,097
Rental deposits		71,561	83,527
Deferred tax liabilities		104,458	111,805
Retirement benefits obligations		20,527	18,827
		<u>1,066,991</u>	<u>1,293,403</u>
Net Assets		<u><u>3,911,499</u></u>	<u><u>3,924,834</u></u>
Capital and Reserves			
Share capital	14	27,797	27,797
Share premium		73,400	73,400
Other reserves		(146,859)	(100,109)
Retained profits		3,374,174	3,355,559
		<u>3,328,512</u>	<u>3,356,647</u>
Equity attributable to owners of the Company		3,328,512	3,356,647
Non-controlling interests		582,987	568,187
Total Equity		<u><u>3,911,499</u></u>	<u><u>3,924,834</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	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)
Reclassification upon disposal of equity instruments at FVTOCI	—	—	243	—	—	—	—	—	(243)	—	—	—
Contribution from non-controlling interests	—	—	—	—	—	—	—	—	—	—	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

	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 2023	27,797	73,400	(42,290)	(111,443)	933	2,860	3,695	46,136	3,355,559	3,356,647	568,187	3,924,834
Profit for the period	—	—	—	—	—	—	—	—	20,380	20,380	31,439	51,819
Other comprehensive income (expense) for the period	—	—	1,371	(47,923)	—	—	—	—	—	(46,552)	(6,567)	(53,119)
Total comprehensive income (expense) for the period	—	—	1,371	(47,923)	—	—	—	—	20,380	(26,172)	24,872	(1,300)
Contribution from non-controlling interests	—	—	—	—	—	—	—	—	—	—	33,645	33,645
Transfer upon lapse of share options	—	—	—	—	—	—	(198)	—	3,794	3,596	(3,596)	—
Dividend recognised as distribution (note 8)	—	—	—	—	—	—	—	—	(5,559)	(5,559)	—	(5,559)
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(40,121)	(40,121)
At 30 June 2023	27,797	73,400	(40,919)	(159,366)	933	2,860	3,497	46,136	3,374,174	3,328,512	582,987	3,911,499

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; 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"; and c) the difference between the fair value of the consideration (net of transaction costs) and the carrying amount of the increment in the Company's interest in Tokutei Mokuteki Kaisha SSG23 on 21 December 2022, amounted to a credit of HK\$7,637,000.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Six months ended	
	30 June	30 June
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash from operating activities	104,294	175,163
Investing activities		
Addition of investment properties	(1,575)	(1,638)
Purchase of property, plant and equipment	(9,753)	(9,107)
Proceeds from disposal of property, plant and equipment	71	26
Proceeds from disposal of equity instruments at FVTOCI	—	1,707
Purchase of equity instruments at FVTPL	(14,962)	(15,056)
Deposit received for disposal of hotel property	13,747	—
Other investing cash flows	13,753	724
Net cash from (used in) investing activities	1,281	(23,344)
Financing activities		
Dividend paid to non-controlling interests	(40,121)	(41,586)
Interest paid	(35,536)	(24,706)
Contribution from non-controlling interests	33,645	45,622
New bank borrowings raised	2,212,965	2,418,152
Repayments of bank borrowings	(2,120,192)	(2,645,485)
New bonds raised	5,634	—
Repayments of bonds	(58,000)	—
Repayments of lease liabilities	(9,029)	(8,230)
Net cash used in financing activities	(10,634)	(256,233)
Net increase (decrease) in cash and cash equivalents	94,941	(104,414)
Cash and cash equivalents at 1 January	862,086	976,510
Effect of foreign exchange rate changes	(28,640)	(55,710)
Cash and cash equivalents at 30 June, represented by bank balances and cash	928,387	816,386

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

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 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

Except as described below, the application of the amendments to HKFRSs in the current interim 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. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

Application of amendments to HKFRSs (Cont'd)

2.1 *Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates*

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

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

2.2 *Impacts on application of amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies*

In addition, the Group will apply Amendments to HKAS 1 and HKFRS Practice Statement 2 *Disclosure of Accounting Policies* which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s consolidated financial statements for the year ending 31 December 2023.

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

Application of amendments to HKFRSs (Cont'd)

2.2 *Impacts on application of amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies (Cont'd)*

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.

2.3 *Impacts on application of Amendments to HKAS 12 Income Taxes International Tax Reform- Pillar Two Model Rules*

In July 2023, the HKICPA issued the amendments to HKAS 12 to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "Pillar Two legislation"). The amendments require that entities shall apply the amendments immediately upon issuance. The amendments also require that entities shall disclose separately its current tax expense/income related to Pillar Two income taxes, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group has applied the temporary exception immediately upon issue of these amendments and retrospectively, i.e. applying the exception from the date Pillar Two legislation is enacted or substantively enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual consolidated financial statements for the year ending 31 December 2023.

3. REVENUE AND SEGMENT INFORMATION**Disaggregation of revenue from contracts with customers**

	For the six months ended 30 June 2023			For the six months ended 30 June 2022		
	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	1,013,506	—	1,013,506	1,586,412	—	1,586,412
IT related products	3,180,478	—	3,180,478	3,051,974	—	3,051,974
	<u>4,193,984</u>	<u>—</u>	<u>4,193,984</u>	<u>4,638,386</u>	<u>—</u>	<u>4,638,386</u>
Commission income	<u>24,129</u>	<u>—</u>	<u>24,129</u>	<u>19,157</u>	<u>—</u>	<u>19,157</u>
Hotel Operations						
Room revenue	—	44,856	44,856	—	17,230	17,230
Food and beverage	—	24,391	24,391	—	13,446	13,446
	<u>—</u>	<u>69,247</u>	<u>69,247</u>	<u>—</u>	<u>30,676</u>	<u>30,676</u>
Revenue from contracts with customers	<u>4,218,113</u>	<u>69,247</u>	<u>4,287,360</u>	<u>4,657,543</u>	<u>30,676</u>	<u>4,688,219</u>
Leasing of investment properties			84,585			92,832
Total revenue			<u>4,371,945</u>			<u>4,781,051</u>
Geographical market						
Hong Kong	995,699	—	995,699	1,078,171	—	1,078,171
Thailand	3,222,414	—	3,222,414	3,579,372	—	3,579,372
Japan	—	69,247	69,247	—	30,676	30,676
	<u>—</u>	<u>69,247</u>	<u>69,247</u>	<u>—</u>	<u>30,676</u>	<u>30,676</u>
Total before leasing of investment properties	<u>4,218,113</u>	<u>69,247</u>	<u>4,287,360</u>	<u>4,657,543</u>	<u>30,676</u>	<u>4,688,219</u>
Timing of revenue recognition						
At a point in time	4,218,113	24,391	4,242,504	4,657,543	13,446	4,670,989
Over time	—	44,856	44,856	—	17,230	17,230
	<u>—</u>	<u>44,856</u>	<u>44,856</u>	<u>—</u>	<u>17,230</u>	<u>17,230</u>
Total before leasing of investment properties	<u>4,218,113</u>	<u>69,247</u>	<u>4,287,360</u>	<u>4,657,543</u>	<u>30,676</u>	<u>4,688,219</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 2023						
<i>Segment revenue</i>						
— Revenue from contracts with customers	995,699	3,222,414	69,247	—	—	4,287,360
— Leasing of investment properties	—	—	72,032	12,553	—	84,585
External sales	<u>995,699</u>	<u>3,222,414</u>	<u>141,279</u>	<u>12,553</u>	<u>—</u>	<u>4,371,945</u>
<i>Segment profit (loss)</i>	<u>9,336</u>	<u>99,959</u>	<u>7,941</u>	<u>(20,574)</u>	<u>29,767</u>	126,429
Share of results of associates						2,340
Finance costs						(36,791)
Other unallocated income						9,183
Unallocated corporate expenses						(28,874)
Profit before taxation						<u>72,287</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 <i>HK\$'000</i>	Thailand <i>HK\$'000</i>	Japan <i>HK\$'000</i>	Other regions <i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
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>

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

4. OTHER GAINS AND LOSSES, NET

	Six months ended	
	30 June 2023 <i>HK\$'000</i>	30 June 2022 <i>HK\$'000</i>
Exchange loss, net	(26,573)	(24,348)
Gain on disposal of property, plant and equipment	34	11
Gain from changes in fair value of derivative financial instruments	<u>14,948</u>	<u>2,383</u>
	<u>(11,591)</u>	<u>(21,954)</u>

5. INCOME TAX EXPENSE

	Six months ended	
	30 June	30 June
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
The charge (credit) comprises:		
Hong Kong Profits Tax		
Current period	<u>1,556</u>	<u>824</u>
Overseas Tax		
Current period	27,554	25,585
Underprovision in respect of prior periods	66	81
Withholding tax on dividend paid	<u>721</u>	<u>579</u>
	<u>28,341</u>	<u>26,245</u>
Deferred taxation	<u>(9,429)</u>	<u>4,265</u>
Income tax expense for the period	<u><u>20,468</u></u>	<u><u>31,334</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 subsidiaries.

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

6. PROFIT FOR THE PERIOD

	Six months ended	
	30 June 2023 <i>HK\$'000</i>	30 June 2022 <i>HK\$'000</i>
Profit for the period has been arrived at after charging (crediting):		
Cost of inventories recognised in cost of sales	3,962,593	4,379,746
Depreciation of property, plant and equipment	17,899	15,403
Depreciation of right-of-use assets	7,005	6,233
Share of tax expense of associates	106	21
Write-down of inventories	4,005	4,327
Interest income on bank deposits	<u>(10,970)</u>	<u>(1,195)</u>

7. EARNINGS (LOSS) PER SHARE

The calculation of both basic and diluted earnings (loss) per share is based on the Group's profit attributable to owners of the Company of HK\$20,380,000 (for the six months ended 30 June 2022: loss attributable to owners of the Company of HK\$9,460,000) and the number of ordinary shares calculated below.

	Six months ended	
	30 June 2023	30 June 2022
Number of ordinary shares for the purpose of basic and diluted earnings (loss) per share	<u>277,966,666</u>	<u>277,966,666</u>

The computation of diluted earnings per share for the six months ended 30 June 2023 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 period.

As the Group incurred losses for the six months ended 30 June 2022, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the six months ended 30 June 2022 was the same as basic loss per share.

8. DIVIDENDS

	Six months ended	
	30 June	30 June
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Final dividend, payable in respect of the year ended 31 December 2022 of 2.0 HK cents per share (for the six months ended 30 June 2022: 2.0 HK cents per share in respect of the year ended 31 December 2021)	<u>5,559</u>	<u>5,559</u>

The Directors do not recommend the payment of interim dividend for the six months ended 30 June 2023.

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

The Group's investment properties falls under level 3 of the fair value hierarchy as at 30 June 2023.

For Hong Kong and Japan investment properties, the valuations were arrived at on the basis of valuations carried out on that date by management of the Company using the income approach by capitalising the net income from the existing tenancies and reversionary income potential at appropriate capitalisation rates. For Hong Kong investment properties, the resulting decrease in fair value of these investment properties of HK\$30,500,000 (for the six months ended 30 June 2022: HK\$5,740,000) has been recognised in the profit or loss for the current period. For Japan investment properties, the resulting increase in fair value of these investment properties of HK\$18,425,000 (for the six months ended 30 June 2022: HK\$64,923,000) has been recognised in the profit or loss for the current period.

For Singapore and Thailand investment properties, they were fair valued by the management 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. For Singapore investment properties, the resulting decrease in fair value of these investment properties of HK\$1,040,000 (for the six months ended 30 June 2022: HK\$Nil) has been recognised in the profit or loss for the current period. No significant changes in fair value for Thailand investment properties for both periods.

9. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT (Cont'd)

During the period, the Group spent approximately HK\$9,753,000 (for the six months ended 30 June 2022: HK\$9,107,000) and HK\$1,575,000 (for the six months ended 30 June 2022: HK\$1,638,000) on the addition of property, plant and equipment and investment properties respectively. An investment property of HK\$71,544,000 is reclassified as held for sale (see note 11 for details) and an investment property of HK\$59,421,000 is reclassified as property, plant and equipment during the period.

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\$1,418,251,000 and HK\$12,894,000, respectively (31 December 2022: HK\$1,291,708,000 and HK\$13,806,000 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 2023 <i>HK\$'000</i>	31 December 2022 <i>HK\$'000</i>
Within 30 days	649,242	568,092
31 to 90 days	465,143	509,510
91 to 120 days	82,112	60,638
Over 120 days	<u>234,648</u>	<u>167,274</u>
	<u><u>1,431,145</u></u>	<u><u>1,305,514</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. ASSETS CLASSIFIED AS HELD FOR SALE

On 28 June 2023, the Group has entered into a sale and purchase agreement with an independent third party to sell the trust beneficial interest of the hotel property located in Tokyo, Japan with consideration of JPY2,536,250,000 (including consumption tax) (equivalent to approximately HK\$152,175,000). The assets attributable to the hotel property, which are expected to be sold within twelve months, have been classified as assets held for sale and are presented separately in the condensed consolidated statement of financial position. The hotel property is included in the Group's property investment and hotel operation for segment reporting purposes (see note 3). The disposal of the hotel property is completed subsequent to the end of the reporting period.

The major classes of assets of the hotel property classified as held for sale are as follows:

	30 June 2023 <i>HK\$'000</i>
Investment properties (<i>see note 9</i>)	<u>71,544</u>
Assets classified as held for sale	<u><u>71,544</u></u>

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals are trade payables of HK\$606,905,000 (31 December 2022: HK\$578,198,000). The following is an analysis of trade payables by age, presented based on the invoice date.

	30 June 2023 <i>HK\$'000</i>	31 December 2022 <i>HK\$'000</i>
Within 30 days	487,309	437,838
31 to 90 days	101,010	122,268
91 to 120 days	4,946	5,352
Over 120 days	<u>13,640</u>	<u>12,740</u>
	<u><u>606,905</u></u>	<u><u>578,198</u></u>

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

13. BANK BORROWINGS

During the current interim period, the Group repaid bank borrowings of HK\$2,120,192,000 (for the six months ended 30 June 2022: HK\$2,645,485,000) and obtained new short-term bank borrowings amounting to HK\$2,212,965,000 (for the six months ended 30 June 2022: HK\$2,418,152,000).

The bank borrowings with repayment on demand clause amounted to HK\$313,729,000 (31 December 2022: HK\$310,203,000) of which non-current portion of HK\$305,751,000 (31 December 2022: HK\$302,765,000) was included in current liabilities.

14. 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 2022, 30 June 2022, 31 December 2022 and 30 June 2023	<u>277,966,666</u>	<u>27,797</u>

15. 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 2023	Lapsed	Outstanding at 30 June 2023
Directors	990,000	(120,000)	870,000
Employees and others	1,260,000	—	1,260,000
	2,250,000	(120,000)	2,130,000

Other than disclosed above, no options were granted, exercised or forfeited during the six months ended 30 June 2023 and 30 June 2022.

(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 2023	Lapsed	Outstanding at 30 June 2023
Directors	6,390,000	(6,390,000)	—
Employees and others	1,200,000	(1,200,000)	—
	7,590,000	(7,590,000)	—

Other than disclosed above, no options were granted, exercised or forfeited during the six months ended 30 June 2023 and 30 June 2022.

16. PLEDGE OF ASSETS

At the end of the reporting period,

- (a) the Group's investment properties with carrying amounts of HK\$3,324,411,000 (31 December 2022: HK\$3,656,586,000) and property, plant and equipment with carrying amounts of HK\$599,276,000 (31 December 2022: HK\$571,456,000) were under legal charge to secure general banking facilities available to the Group;
- (b) bank deposits of HK\$315,023,000 (31 December 2022: HK\$308,016,000) were pledged to secure bank loans; and
- (c) certain shares of subsidiaries have been pledged to the banks at both 30 June 2023 and 31 December 2022 to secure several banking facilities available to the Group.

Restriction on assets

Included in lease liabilities, there are HK\$62,264,000 (31 December 2022: HK\$54,418,000) which are recognised with related right-of-use assets of HK\$41,298,000 (31 December 2022: HK\$29,310,000) as at 30 June 2023. 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.

17. 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 2023 HK\$'000	30 June 2022 HK\$'000
Service expenses	—	2,987

- (b) Remuneration paid or payable to the Directors who are considered to be the key management personnel for the six months ended 30 June 2023 was HK\$7,854,000 (for the six months ended 30 June 2022: HK\$7,806,000).

18. CAPITAL COMMITMENTS

	30 June 2023 <i>HK\$'000</i>	31 December 2022 <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>527</u>	<u>2,782</u>

19. 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).

19. 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 (liabilities)	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30.06.2023 <i>HK\$'000</i>	31.12.2022 <i>HK\$'000</i>		
1. Listed equity securities classified as equity instruments at FVTPL	252,472	223,094	Level 1	Quoted bid prices in active markets.
2. Unquoted equity investments classified as equity instruments at FVTPL	65,163	51,737	Level 2	Recent transaction prices of the investments.
3. Listed equity securities classified as equity instrument at FVTOCI	17,624	16,112	Level 1	Quoted bid prices in active markets.
4. Unquoted equity investments classified as equity instrument at FVTOCI	18,727	18,857	Level 2	Recent transaction price of the investment.
	12,229	12,327	Level 3	The fair value is measured based on the sharing percentage of net assets value. Discount of 25% (31 December 2022: 25%) for lack of marketability, determined by reference to the share price of listed entities in similar industries (<i>Note</i>).
5. Foreign currency forward contracts classified as derivative financial instruments	assets 2,795	liabilities 11,817	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: 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.

19. 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 <i>HK\$'000</i>
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><u>22,060</u></u>
At 1 January 2023	12,327
Disposal	<u>(98)</u>
At 30 June 2023	<u><u>12,229</u></u>

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

- (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.

INTERIM DIVIDEND

The Directors do not recommend the payment of interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

FINANCIAL REVIEW AND ANALYSIS

Liquidity and Financial Resources

As at 30 June 2023, the Group had total assets of HK\$8,699,068,000 which were financed by total equity of HK\$3,911,499,000 and total liabilities of HK\$4,787,569,000. The Group had current ratio of approximately 1.06 which was similar to 31 December 2022.

As at 30 June 2023, the Group had bank deposits balances and cash of HK\$1,243,410,000 (31 December 2022: HK\$1,170,102,000), out of which HK\$315,023,000 (31 December 2022: HK\$308,016,000) 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 2023, the Group had short term borrowings and bonds of HK\$2,634,248,000 (31 December 2022: HK\$2,609,124,000) and long term borrowings and bonds of HK\$804,864,000 (31 December 2022: HK\$1,016,412,000). 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 2023, the Group had net cash deficit (total bank borrowings and bonds less bank balances and cash and pledged bank deposits) of HK\$2,195,702,000 (31 December 2022: HK\$2,455,434,000).

Gearing ratio, as defined by total bank borrowings and bonds to total equity as at 30 June 2023 was 88% (31 December 2022: 92%).

Charges on Group Assets

As at 30 June 2023, the Group had pledged bank deposits of HK\$315,023,000 (31 December 2022: HK\$308,016,000), investment properties with carrying values of HK\$3,324,411,000 (31 December 2022: HK\$3,656,586,000) and property, plant and equipment with carrying value of HK\$599,276,000 (31 December 2022: HK\$571,456,000) 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 2023 and 31 December 2022 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 2023 was 1,168 (30 June 2022: 907) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments, amounted to HK\$101,520,000 (30 June 2022: HK\$97,130,000). 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 2023, 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 and Renminbi. 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\$9,753,000 (six months ended 30 June 2022: HK\$9,107,000) and HK\$1,575,000 (six months ended 30 June 2022: HK\$1,638,000) on addition of property, plant and equipment and investment properties respectively.

OTHER INFORMATION**Directors' Interests in Shares**

At 30 June 2023, 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%

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 (Note 1)	Corporate Interests (Notes 2 and 3)	Percentage	
					ordinary shares held	Total of the issued share capital of SiS Mobile
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%

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 2023	Lapsed	Outstanding at 30 June 2023
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	(400,000)	—
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	400,000	(400,000)	—
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	400,000	(400,000)	—
Lim Kiah Meng						
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	400,000	(400,000)	—
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	400,000	(400,000)	—
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	400,000	(400,000)	—

OTHER INFORMATION (Cont'd)**Directors' Interests in Shares (Cont'd)****(iv) Share options of SiS Mobile, a subsidiary of the Company (Cont'd)**

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	Outstanding at 1 January 2023	Lapsed	Outstanding at 30 June 2023
Lim Hwee Hai						
25.06.2015	26.06.2015- 31.12.2015	01.01.2016- 30.06.2023	2.36	400,000	(400,000)	—
25.06.2015	26.06.2015- 31.12.2016	01.01.2017- 30.06.2023	2.36	400,000	(400,000)	—
25.06.2015	26.06.2015- 31.12.2017	01.01.2018- 30.06.2023	2.36	400,000	(400,000)	—
Lim Hwee Noi						
25.06.2015	26.06.2015- 31.12.2015	01.01.2016- 30.06.2023	2.36	200,000	(200,000)	—
25.06.2015	26.06.2015- 31.12.2016	01.01.2017- 30.06.2023	2.36	200,000	(200,000)	—
25.06.2015	26.06.2015- 31.12.2017	01.01.2018- 30.06.2023	2.36	200,000	(200,000)	—
				4,200,000	(4,200,000)	—

(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 2023.

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 34 to 36 in the 2022 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 <i>HK\$</i>	Number of outstanding share option at 1 January 2023	Lapsed	Number of outstanding share option at 30 June 2023
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	—	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	50,000	—	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	50,000	—	50,000
Lim Kiah Meng						
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	50,000	—	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	50,000	—	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	50,000	—	50,000
Lim Hwee Hai						
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	50,000	—	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	50,000	—	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	50,000	—	50,000

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 2023	Lapsed	Number of outstanding share option at 30 June 2023
Lim Hwee Noi						
26.06.2015	27.06.2015- 31.12.2015	01.01.2016- 26.06.2025	4.47	50,000	—	50,000
26.06.2015	27.06.2015- 31.12.2016	01.01.2017- 26.06.2025	4.47	50,000	—	50,000
26.06.2015	27.06.2015- 31.12.2017	01.01.2018- 26.06.2025	4.47	50,000	—	50,000
Lee Hiok Chuan						
26.06.2015	27.06.2015- 31.12.2015	01.01.2016- 26.06.2025	4.47	40,000	(40,000)	—
26.06.2015	27.06.2015- 31.12.2016	01.01.2017- 26.06.2025	4.47	40,000	(40,000)	—
26.06.2015	27.06.2015- 31.12.2017	01.01.2018- 26.06.2025	4.47	40,000	(40,000)	—
Ong Wui Leng						
26.06.2015	27.06.2015- 31.12.2015	01.01.2016- 26.06.2025	4.47	40,000	—	40,000
26.06.2015	27.06.2015- 31.12.2016	01.01.2017- 26.06.2025	4.47	40,000	—	40,000
26.06.2015	27.06.2015- 31.12.2017	01.01.2018- 26.06.2025	4.47	40,000	—	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	—	50,000
26.06.2015	27.06.2015- 31.12.2016	01.01.2017- 26.06.2025	4.47	50,000	—	50,000
26.06.2015	27.06.2015- 31.12.2017	01.01.2018- 26.06.2025	4.47	50,000	—	50,000
Total directors and their associates				990,000	(120,000)	870,000

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

Date of grant	Vesting period	Exercisable period	Exercise price <i>HK\$</i>	Number of outstanding share option at 1 January 2023	Lapsed	Number of outstanding share option at 30 June 2023
Employees and other qualified persons:						
26.06.2015	27.06.2015- 31.12.2015	01.01.2016- 26.06.2025	4.47	420,000	—	420,000
26.06.2015	27.06.2015- 31.12.2016	01.01.2017- 26.06.2025	4.47	420,000	—	420,000
26.06.2015	27.06.2015- 31.12.2017	01.01.2018- 26.06.2025	4.47	420,000	—	420,000
Total employees and other qualified persons				<u>1,260,000</u>	<u>—</u>	<u>1,260,000</u>
Total number of share options				<u>2,250,000</u>	<u>(120,000)</u>	<u>2,130,000</u>

Other than disclosed above, no share options were granted, exercised or forfeited during the six months ended 30 June 2023.

Substantial Shareholders

As at 30 June 2023, 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.

OTHER INFORMATION (Cont'd)

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.

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 2023, except for the Code B.2.2 and C.2.1 as disclosed in pages 10 and 11 of the Group's 2022 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 2023, including the accounting policies and practices adopted by the Company, in conjunction with the Company's auditors.

OTHER INFORMATION (Cont'd)

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 2023.

On behalf of the Board of
SiS International Holdings Limited

LIM Kia Hong
Chairman and Chief Executive Officer

Hong Kong, 25 August 2023