

CHAIRMAN'S STATEMENT

I am pleased to present to the shareholders the results of the Group for the year ended December 31, 2000.

Results

For the year ended December 31, 2000, turnover of the Group amounted to approximately HK\$3,512 million (1999: approximately HK\$261 million). Net profit attributable to shareholders amounted to approximately HK\$22 million (1999: approximately HK\$26 million). Basic earnings per share were 8.28 HK cents.

For the year of 1999, turnover and the result of SiS Distribution Limited and its subsidiaries were only accounted for by the Group as subsidiaries with effect from November 23, 1999 as a result of the Company's repossession of the 80% interests in SiS Distribution Limited.

Business Review

The year 2000 was an eventful and challenging year indeed. Despite the volatile and turbulent economic and market outlook, the Company continued to grow steadily. During the year, the Company acquired a 75% interests in SiS Distribution (Thailand) Co. Ltd.. SiS Distribution (Thailand) Co. Ltd. is one of the leading IT products distributor in Thailand representing many world renowned vendors such as Hewlett Packard, Compaq and etc. This acquisition is strategic as it provides the Company a foothold into the Thailand market and also expands our customer base.

In recognition of SiS' distribution excellence, the Company has recently received several prestigious awards from many of the world's leading IT vendors:

Top Sale Award – Year 2000 from Compaq for Compaq Presario	Thailand
Gold Award from Compaq for Compaq Service Contest Year 2000	Thailand
Outstanding Sales Award from Philips for Philips Monitor – 2000	Thailand
Sales Achievement from Tektronix for Tektronix Color Printer For Year 2000	Thailand
Top Business Partner, Top Distributor for PCs, Top Distributor For Portables, Top Distributors for Servers and Top Revenue for Overall Category 2000 from Compaq	Malaysia
Asia Pacific Top Business Partner Award – PSG (Hong Kong) from IBM	Hong Kong
Business Partner Award 2000 from Compaq	Hong Kong
Microsoft Distributor of the Year	Hong Kong
Top Sales Award – North Asia from Infocus	Hong Kong

SiS Netrepreneur Ventures Corp., a wholly owned subsidiary of the Company operates and invests in technology companies in the new economy. As most of the internet companies the Company invested in are at their early stage, the Company took a conservative approach and recorded a revaluation deficit of approximately HK\$72 million at balance sheet date.

Prospects

Taking into consideration the slow down in U.S. economy and declining electronics industry, the Directors are moving ahead cautiously. We believe with our experience, knowledge and strong financial position, we will be able to capitalize on the opportunities present to us. The Company will continue to make selective investments when the opportunities arise to further expand our business and enhance our shareholders' wealth.

Final Dividend

The Directors recommend a final dividend 2 HK cents per share for 2000 (1999: 2 HK cents per share) payable to shareholders whose names appear on the register of members of the Company on May 18, 2001. Subject to the approval of the shareholders at the forthcoming annual general meeting. The final dividend will be payable in cash on or about June 15, 2001.

Appreciation

On behalf of the board of directors, I would like to take this opportunity to express my gratitude to the staff for their contributions and to all business partners and shareholders for their continuing support.

On behalf of the Board

LIM Siam Kwee

Chairman

Hong Kong, April 20, 2001