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SiS INTERNATIONAL HOLDINGS LIMITED

新龍國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 529)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

The directors (the “Directors”) of SiS International Holdings Limited (the “Company”) is pleased to announce that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2009 together with comparative figures for the corresponding year in 2008 which are set out as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

	Notes	2009 HK\$'000	2008 HK\$'000
Revenue	2	3,883,752	4,563,332
Cost of sales		<u>(3,719,803)</u>	<u>(4,365,942)</u>
Gross profit		163,949	197,390
Other income	3	45,552	31,688
Distribution costs		(78,671)	(77,759)
Administrative expenses		(65,835)	(75,499)
Other expenses		(2,254)	(1,397)
Change in fair value of investments held-for-trading		8,353	(21,081)
Change in fair value of investment properties		58,565	(24,402)
Share of results of associates		26,708	28,482
Finance costs		<u>(2,472)</u>	<u>(4,854)</u>
Profit before taxation		153,895	52,568
Income tax expense	4	<u>(19,811)</u>	<u>(10,749)</u>
Profit for the year attributable to owners of the Company	5	<u>134,084</u>	<u>41,819</u>
Earnings per share – basic	7	<u>49.5 HK cents</u>	<u>15.5 HK cents</u>
– diluted		<u>49.5 HK cents</u>	<u>15.5 HK cents</u>

*For identification purposes only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit for the year	<u>134,084</u>	<u>41,819</u>
Other comprehensive income		
Gain (loss) on fair value changes of available-for-sale investments	7,762	(5,091)
Reclassification of the cumulative exchange difference attributable to disposed subsidiary to income statement	2,254	-
Exchange realignment arising on translation of foreign operations	3,256	(2,689)
Share of exchange reserve of associates	<u>5,130</u>	<u>(15,179)</u>
Other comprehensive income (expense) for the year attributable to owners of the Company	<u>18,402</u>	<u>(22,959)</u>
Total comprehensive income for the year attributable to owners of the Company	<u>152,486</u>	<u>18,860</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Non-current assets			
Investment properties		191,175	196,873
Property, plant and equipment		7,688	8,956
Prepaid lease payments		19,398	14,846
Interests in associates		133,459	109,372
Available-for-sale investments		28,382	12,610
Deposits for acquisition of investment properties	8	20,323	-
Deferred tax assets		459	351
		400,884	343,008
Current assets			
Inventories		236,115	297,567
Trade and other receivables, deposits and prepayments	9	582,379	578,729
Derivative financial instruments		697	-
Tax recoverable		-	1,864
Prepaid lease payments		28	23
Investments held-for-trading		42,501	33,682
Pledged bank deposits		21,086	20,369
Bank balances and cash		217,349	131,096
		1,100,155	1,063,330
Investment properties held for sale	10	65,000	-
		1,165,155	1,063,330
Current liabilities			
Trade payables, other payables and accruals	11	505,948	407,578
Bills payable	12	19,171	74,758
Deposits received for investment properties held for sale	10	3,500	-
Derivative financial instruments		-	1,938
Tax payable		11,139	6,873
Bank loans		32,365	71,639
		572,123	562,786
Liabilities associated with investment properties held for sale	10	684	-
		572,807	562,786
Net current assets		592,348	500,544
Total assets less current liabilities		993,232	843,552
Non-current liabilities			
Deferred tax liabilities		24,021	14,234
Net assets		969,211	829,318
Capital and reserves			
Share capital		27,102	27,102
Share premium		58,238	58,238
Reserves		39,194	20,753
Retained profits		844,677	723,225
Total equity		969,211	829,318

NOTES:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied a number of new and revised Standards, Amendments and Interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1(Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group’s reportable segments and changes in the basis of measurement of segment profit or loss, segment assets and segment liabilities. (see details in note 2).

Improving Disclosures about Financial Instruments

(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

The Group has not applied the following new and revised Standards, Amendments or Interpretations that have been issued but not yet effective.

HKFRSs(Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008 ¹
HKFRSs (Amendments)	Improvement in HKFRSs 2009 ²
HKAS 24 (Revised)	Related Party Disclosures ⁵
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendment)	Classification of Rights Issues ⁴
HKFRS 39 (Amendments)	Eligible Hedged Items ¹
HKFRS 1(Amendment)	Additional Exemptions for First-time Adopters ³
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁵
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁷
HK (IFRIC) – INT 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁵
HK (IFRIC) – INT 17	Distributions of Non-cash Assets to Owners ¹
HK (IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments ⁶

¹ Effective for annual periods beginning on or after 1 July 2009.

² Effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2010.

⁴ Effective for annual periods beginning on or after 1 February 2010.

⁵ Effective for annual periods beginning on or after 1 January 2011.

⁶ Effective for annual periods beginning on or after 1 July 2010.

⁷ Effective for annual periods beginning on or after 1 January 2013.

The application of HKFRS 3 (Revised) may affect the Group’s accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group’s ownership interest in a subsidiary.

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specially, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group’s financial assets.

In addition, as part of Improvements to HKFRS issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leasees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group’s leasehold land.

The Directors of the Company anticipate that the adoption of other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

2. SEGMENTAL INFORMATION

The Group has adopted HKFRS 8 “Operating Segments” with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, executive directors, for the purpose of allocating resources to segments and to assessing their performance. In contrast, the predecessor Standard (HKAS 14, “Segment Reporting”) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group’s primary reporting format was business segments. The application of HKFRS 8 has resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

In prior years, segment information reported externally was analysed on the basis of types of business, i.e. distribution of IT products and property investment. However, information reported to the Group’s chief operating decision maker, executive directors, in relation to distribution of IT products, is more specifically focuses on each of the geographical location, i.e. Hong Kong, Singapore and Malaysia.

The Group’s operating and reportable segments under HKFRS 8 are therefore as follows:

1. Distribution of IT products – Hong Kong
2. Distribution of IT products – Singapore
3. Distribution of IT products – Malaysia
4. Property investment

Information regarding the above segments is reported below. Amounts reported for the prior year have been restated to conform to the requirements of HKFRS 8.

The following is an analysis of the Group’s revenue and results by reportable segment:

2. SEGMENTAL INFORMATION (continued)

For the year ended 31 December 2009

	Distribution of IT products				Property investment HK\$'000	Consolidated HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	Malaysia HK\$'000	Total HK\$'000		
SEGMENT REVENUE						
External sales	<u>2,363,430</u>	<u>1,093,403</u>	<u>416,662</u>	<u>3,873,495</u>	<u>10,257</u>	<u>3,883,752</u>
Segment profit	<u>59,995</u>	<u>2,835</u>	<u>1,378</u>	<u>64,208</u>	<u>67,349</u>	<u>131,557</u>
Income from investments held-for-trading and available-for-sale investments						14,261
Loss on disposal of a subsidiary						(2,254)
Other unallocated income						6,703
Share of results of associates						26,708
Finance costs						(2,472)
Unallocated corporate expenses						<u>(20,608)</u>
Profit before taxation						<u>153,895</u>

For the year ended 31 December 2008

	Distribution of IT products				Property investment HK\$'000	Consolidated HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	Malaysia HK\$'000	Total HK\$'000		
SEGMENT REVENUE						
External sales	<u>2,656,983</u>	<u>1,544,660</u>	<u>351,111</u>	<u>4,552,754</u>	<u>10,578</u>	<u>4,563,332</u>
Segment profit (loss)	<u>71,773</u>	<u>(16)</u>	<u>7,572</u>	<u>79,329</u>	<u>(15,116)</u>	<u>64,213</u>
Net loss from investments held-for-trading and available-for-sale investments						(15,062)
Loss on deemed disposal of an associate						(819)
Other unallocated income						5,716
Share of results of associates						28,482
Finance costs						(4,854)
Unallocated corporate expenses						<u>(25,108)</u>
Profit before taxation						<u>52,568</u>

The accounting policies adopted in preparing the reportable segments are the same as the Group's accounting policies. Segment profit/loss reported to the chief operating decision maker, executive directors, for the purposes of resource allocation and performance assessment has not allocated central administration costs, directors' emoluments, share of results of associates, loss on disposal of a subsidiary, investment income/loss, finance costs and other corporate expenses.

There are no major customers contributing over 10% of the Group's revenue in both years.

3. OTHER INCOME

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Other income comprises:		
Dividend income from available-for-sale investments	1,088	973
Dividend income from investments held-for-trading	4,141	5,003
Discount on early settlement to suppliers	13,958	14,096
Exchange gain, net	19,163	2,874
Gain on fair value changes on derivative financial instruments	2,635	-
Interest on bank deposits	973	2,653
Gain on disposal of available-for-sale investments	<u>679</u>	<u>43</u>

4. INCOME TAX EXPENSE

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current tax		
Hong Kong	9,962	12,916
Overseas	<u>676</u>	<u>392</u>
	<u>10,638</u>	<u>13,308</u>
(Over)under provision in prior years		
Hong Kong	(13)	5
Overseas	<u>(44)</u>	<u>85</u>
	<u>(57)</u>	<u>90</u>
Deferred taxation		
Current year	9,600	(2,340)
Attributable to a change in tax rate	<u>(370)</u>	<u>(309)</u>
	<u>9,230</u>	<u>(2,649)</u>
Income tax expense for the year	<u>19,811</u>	<u>10,749</u>

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

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions. Singapore Corporate Income Tax rate reduced from 18% to 17% during the year.

5. PROFIT FOR THE YEAR

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Allowance for doubtful debts provided	9,907	5,865
Write-down of inventories	1,983	3,132
Depreciation of property, plant and equipment	3,104	4,758
Amortisation of prepaid lease payments	23	23
Total depreciation and amortization	3,127	4,781
Loss on disposal of property, plant and equipment	1	8
Loss on fair value changes on derivative financial instruments	-	578
and after crediting:		
Amounts recovered during the year/reversal of allowance for doubtful debts	-	4,559
Reversal of write-down of inventories	<u>4,392</u>	<u>3,169</u>

6. DIVIDENDS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Dividend recognised as distribution during the year:		
Final dividend, paid in respect of the year 2008 of 5.0 HK cents per share (2008: 10.0 HK cents per share in respect of the year 2007)	<u>13,551</u>	<u>27,102</u>
Final dividend, proposed in respect of the year 2009 of 8.0 HK cents per share (2008: 5.0 HK cents per share)	<u>21,681</u>	<u>13,551</u>

The final dividend proposed by the Directors is subject to approval by the shareholders in general meeting.

7. EARNINGS PER SHARE

The calculation of both the basic and diluted earnings per share is based on the Group's profit attributable to owners of the Company of HK\$134,084,000 (2008: HK\$41,819,000) and the weighted average number of ordinary shares of 271,016,661 during the year (2008: 270,448,766 shares).

The diluted earnings per share does not take into account outstanding share options at the end of the reporting period as the effect of potential ordinary shares to be issued on exercising the share options was anti-dilutive for both year ended 31 December 2008 and 2009.

The effect of dilutive potential ordinary shares of an associate which is considered to be insignificant.

8. DEPOSITS FOR ACQUISITION OF INVESTMENT PROPERTIES

The deposits were paid for acquisition of investment properties at a consideration of HK\$203,000,000. The acquisition was completed on 19 January 2010.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

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 customer. Limits granted to customers are reviewed periodically. For sales of goods, the Group allows an average credit period of 30 – 60 days to its trade customers. No credit period is granted to customers for renting of properties. No interest is charged on overdue debts.

The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period.

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Within 30 days	322,772	273,983
31 to 90 days	211,889	222,190
91 to 120 days	25,781	36,923
Over 120 days	<u>10,135</u>	<u>23,157</u>
Trade receivables	570,577	556,253
Staff advances	-	491
Deposits, prepayments and other receivables	<u>11,802</u>	<u>21,985</u>
	<u>582,379</u>	<u>578,729</u>

10. INVESTMENT PROPERTIES HELD FOR SALE

On 29 December 2009, a subsidiary of the Company entered into a provisional sales and purchase agreement for the disposal of investment properties at consideration of HK\$70,000,000 of which deposit of HK\$3,500,000 had been received. The transaction was completed on 8 March 2010.

Investment properties held for sale is stated at fair value which have been arrived at on the basis of valuation carried out on that date by DTZ Debenham Tie Leung Limited, which is independent qualified professional valuer not connected with the Group. The valuation was arrived at by reference to market evidence of recent transaction prices for similar properties.

As at 31 December 2009, the liabilities associated with the investment properties to be disposed of represent rental deposits of HK\$684,000.

11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals are trade payables of HK\$400,101,000 (2008: HK\$305,259,000). The following is an aged analysis of trade payables at the end of the reporting period presented based on the invoice date:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Within 30 days	298,151	240,777
31 to 90 days	91,295	61,316
91 to 120 days	2,421	512
Over 120 days	8,234	2,654
	<hr/>	<hr/>
Trade payables	400,101	305,259
	<hr/> <hr/>	<hr/> <hr/>

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

12. BILLS PAYABLE

The age of bills payable as at 31 December 2008 and 31 December 2009 were both within 90 days. The bills were repayable within 90 days (2008: within 90 days). The effective interest rate of the bills was 2.7% (2008: 2.7%) per annum.

FINAL DIVIDEND

The directors recommend a final dividend of 8.0HK cents per share for 2009 (2008: 5.0HK cents per share) payable to shareholders on the register of members on 25 June 2010. Subject to the approval of the shareholders at the forthcoming annual general meeting, the final dividend will be payable in cash on 8 July 2010.

CLOSE OF REGISTER OF MEMBERS

The register of members will be closed from 22 June 2010 to 25 June 2010, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend for the year ended 31 December 2009, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 21 June 2010.

BUSINESS REVIEW

Despite the slowdown and overall challenging business environment which have impacted many companies around the world, the Group continued to perform; delivering results and profitability for the year ended 31 December 2009.

(1) IT Distribution Business

Driving our success is our IT distribution business which remains one of our core businesses. Worldwide IT distribution through distributors continued to be an integral part of the go-to-market strategy for IT manufacturers bringing products to market. SiS Group is one of the Asia's top IT distributors is key go-to-market partner to many worlds' renowned IT manufacturers.

We continued to acquire innovative, leading edge technologies to expand into our extensive product portfolio. Our success in navigating through distribution complexities continued to deliver unparalleled value to our customers and vendor partners. With a strong management team who are experienced in IT distribution business, an extensive product range, excellent relationship with business partners spanning over a wide geographic coverage, the Group achieved sales revenue of HK\$3,873 million with operating segment profit from distribution business amounted to HK\$64 million for the year 2009.

(2) Investment in IT Business

Our Group investment in IT business focused on investing in IT companies in the region. Results from these investments continue to contribute positively in the year 2009. Despite the turbulent political climate in Thailand in the early 2009, the Group's investments in SiS Distribution (Thailand) Public Company Limited ("SiS Thailand") continue to perform and grow steadily.

On 18 June 2009, the Group announced the proposed disposal one of its associated companies, ECS Pericomp Sdn Bhd, at a consideration of Malaysia Ringgit 6.9 million (equivalent to approximately HK\$15 million). Completion of the proposed transaction would be conditional upon satisfaction or waiver of certain stated conditions. It is expected that the transaction will be completed in the first half year of 2010.

(3) Real Estate Investments Business

The recovery in the Asian property market resulted in a fair valuation gain of HK\$59 million for the Group's real estate investment business in year 2009 as compared with a loss of HK\$24 million in year 2008. The total fair value of these investment properties amounted to HK\$256 million at 31 December 2009. To strengthen our properties investment portfolio, the Group divested its investment in car parks at a consideration of HK\$70 million and acquired a commercial property located at 9 Queen's Road in Hong Kong for HK\$203 million prior to the 2009 year end closing. Both transactions were completed in first quarter of 2010.

PROSPECT

Leader emerged and delivered results during tough times. Great companies are made even stronger during such times. With a strong balance sheet, an experienced management team, excellent relationships with vendors and customers, the directors are looking ahead with confidence. The Group, having achieved impressive records of continuous profitability, will emerge an even stronger company when the global economy fully recovers.

FINANCIAL REVIEW AND ANALYSIS

Liquidity and Financial Resources

As at 31 December 2009, the Group had total assets of HK\$1,566,039,000 which were financed by shareholders' funds of HK\$969,211,000, and total liabilities of HK\$596,828,000. The Group had a current ratio of approximately 2.03 compared to that of approximately 1.89 at 31 December 2008.

As at 31 December 2009 the Group had HK\$238,435,000 bank balances and cash of which HK\$21,086,000 was pledged to banks to secure banking facilities in the ordinary course of business. The Group's working capital requirements were mainly financed by internal resources and short term borrowings. As at 31 December 2009, the Group had short term borrowings, bank overdraft and bills payable of total HK\$51,536,000. The Group's borrowings were mainly denominated in Singapore Dollar and Malaysia Ringgit and were charged by bank at floating interest rates.

The Group continued to sustain a good liquidity position. At the end of December 2009, the Group had a net cash surplus (bank balances and cash, including pledged bank deposits less bank borrowings and bills payable) of HK\$186,899,000 compared to HK\$5,068,000 as at 31 December 2008.

Gearing ratio, as defined by total bank loans, bills payable and bank overdrafts to shareholders' funds, as at 31 December 2009 was 5.3% compared to 17.7% as at 31 December 2008.

Charges on Group Assets

At the balance sheet date, the Group had pledged bank deposits of HK\$21,086,000 (2008: HK\$20,369,000) and an investment property held for sale with carrying value of HK\$65,000,000 (2008: HK\$40,000,000) to banks to secure general banking facilities granted to subsidiaries. The pledge of investment properties held for sale was subsequently released upon the completion of the disposal on 8 March 2010.

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

The number of staff of the Group as at 31 December 2009 was 307 and the salaries and other benefits paid to employees, excluding Directors' emoluments, amounted to HK\$76,478,000 (2008: HK\$75,644,000). 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. 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

The Group maintains a conservative approach on foreign exchange exposure management by entering into foreign currency forward contracts. There are no significant changes in strategies to hedge against exposure to fluctuations in exchange rates from last year end date. At 31 December 2009, the Group had outstanding forward contracts denominated in United States dollars with total notional amount of HK\$254,379,000 (2008: HK\$229,487,000) which were measured at fair value at the reporting date.

Contingent Liabilities

The Company's corporate guarantees extended to certain banks as security for banking facilities to the Group amounted to HK\$62,656,000 (2008: HK\$62,544,000).

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 the Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2009, except for the Code A.4.1 and A.4.2 as disclosed in page 8 of the Group’s 2008 annual report under the Corporate Governance section.

MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the “Model Code”). Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct adopted by the Company.

AUDIT COMMITTEE

The Audit Committee comprises all independent non-executive Directors. The Audit Committee has reviewed the Company’s consolidated financial statements for the year ended 31 December 2009, including the accounting principles and practices adopted by the Company, in conjunction with the Company’s auditors.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2009.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company’s website at www.sisinternational.com.hk and the website of the Stock Exchange at www.hkexnews.hk. The 2009 annual report of the Company will be dispatched to shareholders of the Company and published on the above-mentioned websites on or before 30 April 2010.

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

Hong Kong, 16 April 2010

As at the date of this announcement, the executive directors are Mr. Lim Kiah Meng, Mr. Lim Kia Hong, Mr. Lim Hwee Hai, Madam Lim Hwee Noi. The independent non-executive directors are Mr. Lee Hiok Chuan, Mr. Woon Wee Teng, and Ms. Ong Wui Leng.