時 代 集 團 控 股 有 限 公 司
SITOY GROUP HOLDINGS LTD.

SITOY GROUP HOLDINGS LIMITED

時代集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1023)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 AND SUPPLEMENTAL INFORMATION IN RELATION TO THE 2023 ANNUAL REPORT

Financial highlights for the six months ended 31 December 2023

Revenue decreased by approximately 14.9% over the same period in 2022 to approximately HK$813.8 million.

Gross profit decreased by approximately 9.0% over the same period in 2022 to approximately HK$285.8 million.

Net profit for the Period was approximately HK$53.6 million compared to the same period in 2022 of approximately HK$106.1 million.

Basic earnings per share attributable to the owners of the Company for the period was approximately HK5.55 cents compared to basic earnings per share for the same period in 2022 of approximately HK11.02 cents.

Declared interim dividend per ordinary share was HK2 cents for the six months ended 31 December 2023.

The board (the "Board") of directors (the "Directors") of Sitoy Group Holdings Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 31 December 2023 (the "Period").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December 2023

		For the six months ended 31 December	
		2023	2022
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*4*	**813,833**	956,486
Cost of sales		**(527,986)**	(642,310)
Gross profit		**285,847**	314,176
Other income and gains	*4*	**10,206**	31,910
Selling and distribution expenses		**(103,439)**	(93,321)
Administrative expenses		**(114,620)**	(105,258)
Reversal of impairment losses/(impairment losses) on financial assets, net		**501**	(437)
Other expenses		**(9,720)**	(7,476)
Finance costs		**(1,178)**	(2,403)
PROFIT BEFORE TAX	*5*	**67,597**	137,191
Income tax expense	*6*	**(14,043)**	(31,088)
PROFIT FOR THE PERIOD		**53,554**	106,103
Attributable to:			
Owners of the Company		**53,554**	106,103

	Notes	For the six months ended 31 December 2023 HK$'000 (Unaudited)	2022 HK$'000 (Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic			
– For profit for the period (HK cents)		**5.55**	11.02
Diluted			
– For profit for the period (HK cents)		**5.52**	10.99

Details of the dividends for the reporting period are disclosed in note 7 to the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2023

	For the six months ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**53,554**	106,103
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**21,844**	(47,359)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**21,844**	(47,359)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**21,844**	(47,359)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**75,398**	58,744
Attributable to:		
Owners of the parent	**75,398**	58,744

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	**As at 31 December 2023 HK$'000 (Unaudited)**	As at 30 June 2023 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**303,383**	281,499
Investment properties		**692,456**	692,456
Right-of-use assets		**61,729**	59,227
Other intangible assets		**2,424**	2,424
Deferred tax assets		**14,881**	15,315
Prepayments and other assets		**4,086**	163
Total non-current assets		**1,078,959**	1,051,084
CURRENT ASSETS			
Inventories		**233,590**	214,441
Trade receivables	9	**287,994**	381,831
Prepayments, other receivables and other assets		**53,395**	62,735
Pledged deposits		**25,566**	24,793
Cash and cash equivalents		**441,432**	403,855
Total current assets		**1,041,977**	1,087,655
CURRENT LIABILITIES			
Trade and bills payables	10	**146,481**	161,661
Other payables and accruals		**93,620**	91,557
Lease liabilities		**23,486**	23,453
Tax payable		**33,182**	51,992
Total current liabilities		**296,769**	328,663

	As at 31 December 2023 ***HK$'000*** **(Unaudited)**	As at 30 June 2023 *HK$'000* (Audited)
NET CURRENT ASSETS	**745,208**	758,992
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,824,167**	1,810,076
NON-CURRENT LIABILITIES		
Lease liabilities	**26,550**	24,057
Deferred tax liabilities	**5,395**	5,160
Deferred income	**913**	1,111
Total non-current liabilities	**32,858**	30,328
Net assets	**1,791,309**	1,779,748
EQUITY		
Share capital	**96,543**	96,543
Treasury shares	**(576)**	–
Reserves	**1,695,342**	1,683,205
Total equity attributable to owners of the Company	**1,791,309**	1,779,748

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Sitoy Group Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 21 February 2008 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands. In the opinion of the Directors, the Company's controlling shareholders are Mr. Yeung Michael Wah Keung and Dr. Yeung Wo Fai.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are the design, research, development, manufacture, sale, retailing and wholesale of handbags, small leather goods, travel goods and footwear products, the provision of advertising and marketing services and property investment.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Exchange") on 6 December 2011.

2.1 Basis of Preparation

The unaudited interim condensed consolidated financial statements for the six months ended 31 December 2023 have been prepared in accordance with International Accounting Standards ("IASS") and Interpretations 34 Interim Financial Reporting issued by the International Accounting Standards Board ("IASB").

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2023.

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for investment properties, derivative financial instruments, wealth management products and equity investments which have been measured at fair value.

This unaudited interim condensed consolidated financial information is presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000"), unless otherwise stated.

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

IFRS 17	*Insurance Contracts*
Amendments to IFRS 17	*Insurance Contracts*
Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. 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. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognize a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, with any cumulative effect recognized as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognize a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognized (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022. The Group has applied the amendments in annual audited financial statement as at 30 June 2023, the Group does not disclose in the interim statement due to less quantitative impact for the financial information in this period.

(d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. Operating Segment Information

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

(a) Retail: manufactures, retails and wholesales handbags, small leather goods, travel goods, footwear and fashion products for the brands owned or licensed by the Group, and provision of handbag and accessories design, advertising and marketing services;

(b) Manufacturing: produces handbags, small leather goods and travel goods for branding and resale by others; and

(c) Property investment: invests in office space for its rental income or capital appreciation purpose.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment.

Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except corporate and unallocated expenses are excluded from this measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the six months ended 31 December 2023 (unaudited)

	Retail *HK$'000*	Manufacturing *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	**251,432**	**555,788**	**6,613**	**813,833**
Intersegment sales	**–**	**69,627**	**1,536**	**71,163**
	251,432	**625,415**	**8,149**	**884,996**
Reconciliation:				
Elimination of intersegment sales				**(71,163)**
Total revenue				**813,833**
Segment results	**13,140**	**56,336**	**2,946**	**72,422**
Reconciliation:				
Corporate and other unallocated expenses, net				**(4,825)**
Profits before tax				**67,597**
Other segment information:				
Depreciation of items of property, plant and equipment	**3,601**	**9,491**	**–**	**13,092**
Unallocated depreciation of items of property, plant and equipment				**1,275**
				14,367
Depreciation of right-of-use assets	**10,715**	**3,305**	**–**	**14,020**
(Reversal of write-down)/write-down of inventories to net realizable value	**(2,519)**	**3,152**	**–**	**633**
Capital expenditure*	**14,238**	**20,181**	**–**	**34,419**

For the six months ended 31 December 2022 (unaudited)

	Retail *HK$'000*	Manufacturing *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	232,518	716,923	7,045	956,486
Intersegment sales	–	110,088	1,536	111,624
	232,518	827,011	8,581	1,068,110
Reconciliation:				
Elimination of intersegment sales				(111,624)
Total revenue				956,486
Segment results	10,003	107,908	(3,096)	114,815
Reconciliation:				
Corporate and other unallocated income, net				22,376
Profits before tax				137,191
Other segment information:				
Depreciation of items of property, plant and equipment	2,806	12,485	–	15,291
Unallocated depreciation of items of property, plant and equipment				1,275
				16,566
Depreciation of right-of-use assets	12,090	3,350	–	15,440
Reversal of write-down of inventories to net realizable value	(6,147)	(3,208)	–	(9,355)
Capital expenditure*	3,247	3,591	–	6,838

* Capital expenditure consists of additions to property, plant and equipment and intangible asset during the period.

The following table compares the total segment assets and liabilities as at 31 December 2023 and as at the date of the last annual financial statements (30 June 2023).

As at 31 December 2023 (unaudited)

	Retail	**Manufacturing**	**Property investment**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Segment assets	**448,308**	**2,035,740**	**770,313**	**3,254,361**
Reconciliation:				
Elimination of intersegment receivables				**(1,264,327)**
Corporate and other unallocated assets				**130,902**
Total assets				**2,120,936**
Segment liabilities	**752,369**	**221,716**	**619,198**	**1,593,283**
Reconciliation:				
Elimination of intersegment payables				**(1,264,327)**
Corporate and other unallocated liabilities				**671**
Total liabilities				**329,627**

As at 30 June 2023 (audited)

	Retail	Manufacturing	Property investment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	438,017	2,137,055	766,605	3,341,677
Reconciliation:				
Elimination of intersegment receivables				(1,329,506)
Corporate and other unallocated assets				126,568
Total assets				2,138,739
Segment liabilities	756,815	311,691	619,585	1,688,091
Reconciliation:				
Elimination of intersegment payables				(1,329,506)
Corporate and other unallocated liabilities				406
Total liabilities				358,991

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's non-current assets.

(a) Revenue from external customers

	For the six months ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
North America	**170,438**	217,139
Europe	**122,505**	151,484
Mainland China, Hong Kong, Macau and Taiwan	**416,923**	358,227
Other Asian countries	**92,187**	202,620
Others	**11,780**	27,016
	813,833	956,486

The revenue information above is based on the location of the customers.

(b) Non-current assets

	As at 31 December 2023	As at 30 June 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Mainland China and Hong Kong	**1,043,051**	1,035,769
Other Asian countries	**21,027**	–
	1,064,078	1,035,769

The non-current asset information above is based on the location of the assets and excludes deferred tax assets.

4. Revenue, Other Income and Gains

Information about major customers

For the six months ended 31 December 2023, revenue derived from sales by the manufacturing segment to one major customer amounting to HK$191,920,000 (unaudited) had accounted for over 10% of the Group's revenue, including sales to a group of entities which are known to be under common control of these customers.

For the six months ended 31 December 2022, revenue derived from sales by the manufacturing segment to one major customer amounting to HK$193,496,000 (unaudited) had accounted for over 10% of the Group's revenue, including sales to a group of entities which are known to be under common control of these customers.

An analysis of revenue is as follows:

	For the six months ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**807,220**	949,441
Revenue from other sources		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	**6,613**	7,045
	813,833	956,486

Revenue from contracts with customers

(i) Disaggregated revenue information

The segment information for revenue from contracts with customers represented the revenue from retail and manufacturing business, which was disclosed in note 3 above.

(ii) Performance obligations

Information about the Group's performance obligations is summarized below:

Retail
The performance obligation is satisfied upon delivery of the goods.

Manufacturing
The performance obligation is satisfied upon delivery of the goods and payment is generally due within 14 to 150 days from delivery, except for new customers, where payment in advance is normally required.

Other income and gains

	For the six months ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income	**5,967**	3,803
Government grants	**2,252**	3,424
Net sample and material income, net	**798**	1,365
Commission income	**485**	–
Exchange gain, net	**–**	22,376
Others	**704**	942
	10,206	31,910

5. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**527,986**	642,310
Employee benefit expense (including Directors' and chief executive's remuneration)		
– Wages and salaries	**178,651**	208,344
– Equity-settled share award expense	**4,271**	–
– Pension scheme contributions	**14,701**	13,775
	197,623	222,119
Depreciation of items of property, plant and equipment	**14,367**	16,566
Depreciation of right-of-use assets	**14,020**	15,440
(Reversal of impairment losses)/impairment losses of trade receivables and other receivables, net	**(501)**	437
Lease payments not included in the measurement of lease liabilities	**7,402**	5,842
Write-down/(reversal of write-down) of inventories to net realizable value	**633**	(9,355)
Auditors' remuneration	**950**	950
Exchange loss/(gain), net	**9,027**	(22,376)

6. Income Tax Expense

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (BVI), the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong profits tax has been provided at the rate of 16.5% for the six months ended 31 December 2023 (six months ended 31 December 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Macau Complementary Income Tax has not been provided for as the Group has no assessable profit arising in Macau during the six months ended 31 December 2023 (six months ended 31 December 2022: nil).

The provision for PRC corporate income tax is based on a statutory rate of 25% (six months ended 31 December 2022: 25%) of the assessable profit of the subsidiaries in Mainland China as determined in accordance with the PRC Corporate Income Tax Law for the six months ended 31 December 2023.

The major components of income tax expense/(credit) are as follows:

	For the six months ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current – Hong Kong		
Charge for the period	**9,234**	24,842
Current – Mainland China		
Charge for the period	**3,930**	8,506
Current – Other regions		
Charge for the year	**30**	50
Deferred	**849**	(2,310)
Total tax charge for the period	**14,043**	31,088

7. Dividends

	For the six months ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Dividends on ordinary shares declared and paid during the six-month period:		
Special dividend for the year ended 30 June 2023: nil (year ended 30 June 2022: HK2 cents)	**–**	19,308
Final dividend for the year ended 30 June 2023: HK7 cents (year ended 30 June 2022: HK4 cents)	**67,580**	38,618
Dividends on ordinary shares declared (not recognized as a liability as at 31 December):		
interim dividend – HK2 cents per ordinary share (six months ended 31 December 2022: HK4 cents)	**19,309**	38,618

On 26 February 2024, the Board of Directors of the company resolved to declare an interim dividend of HK2 cents (six months ended 31 December 2022: HK4 cents).

8. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amounts is based on the profit for the six months ended 31 December 2023 and 2022 attributable to ordinary equity holders of the Company excluding cash dividend attributable to the awarded shares expected to be vested in the future as of the ending of the reporting period and the weighted average number of ordinary shares of 964,740,000 (six months ended 31 December 2022: 962,702,000) in issue excluding awarded shares during the six months ended 31 December 2023.

The calculation of the diluted earnings per share amount is based on the profit for the six months ended 31 December 2023 and 2022 attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the six months ended 31 December 2023 and 2022, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

For the six months ended 31 December 2023, the calculation of diluted earnings per share did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price of the shares of the Company (six months ended 31 December 2022: nil).

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company used in the basic and diluted earnings per share calculation:	**53,554**	106,103

	For the six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
Basic:		
Earnings per share (HK cents)	**5.55**	11.02
Diluted:		
Earnings per share (HK cents)	**5.52**	10.99

	For the six months ended 31 December	
	2023	2022
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**964,740,000**	962,702,000
Effect of dilution – weighted average number of ordinary shares*	**5,074,512**	2,728,000
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	**969,814,512**	965,430,000

* For the six months ended 31 December 2023, the Company had 690,000 treasury shares held under the share award scheme that had dilutive effect.

9. Trade Receivables

	As at 31 December 2023	As at 30 June 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**291,984**	386,807
Impairment	**(3,990)**	(4,976)
	287,994	381,831

The Group's trading terms with its customers are mainly on credit. The Group grants different credit periods to customers. The credit terms range from telegraphic transfers before shipment, letters of credit at sight to 90 days and telegraphic transfers within 14 to 150 days. The credit period of individual customers is considered on a case-by-case basis. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimize credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are unsecured and non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December 2023	As at 30 June 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 90 days	**272,225**	355,807
91 to 180 days	**14,521**	22,433
Over 180 days	**1,248**	3,591
	287,994	381,831

The movements in the loss allowance for impairment of trade receivables are as follows:

	Six months ended 31 December 2023	Year ended 30 June 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At beginning of period/year	**4,976**	6,457
(Reversal of impairment losses)/impairment losses, net	**(501)**	98
Written off	**(533)**	(1,299)
Exchange realignment	**48**	(280)
At the end of period/year	**3,990**	4,976

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2023 (Unaudited)

	Current	**Less than 3 months**	**Past due 3 to 6 months**	**Over 6 months**	**Total**
Expected credit loss rate	**0.65%**	**1.86%**	**17.41%**	**38.76%**	**1.37%**
Gross carrying amount *(HK$'000)*	**278,240**	**8,380**	**201**	**5,163**	**291,984**
Expected credit loss *(HK$'000)*	**1,798**	**156**	**35**	**2,001**	**3,990**

As at 30 June 2023 (Audited)

	Current	Less than 3 months	Past due 3 to 6 months	Over 6 months	Total
Expected credit loss rate	0.54%	1.47%	12.86%	29.46%	1.29%
Gross carrying amount *(HK$'000)*	333,859	44,264	280	8,404	386,807
Expected credit loss *(HK$'000)*	1,813	651	36	2,476	4,976

10. Trade and Bills Payables

An aging analysis of the outstanding trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 December 2023 ***HK$'000*** **(Unaudited)**	As at 30 June 2023 *HK$'000* (Audited)
Within 90 days	**135,700**	149,821
91 to 180 days	**10,033**	11,043
181 to 365 days	**230**	291
Over 365 days	**518**	506
	146,481	161,661

The trade and bills payables are non-interest-bearing and are normally to be settled within 90 days. The carrying amounts of the trade and bills payables approximate to their fair values.

11. Events After the Reporting Period

There are no material events after the reporting period which could influence the economic decisions that users make on the basis of the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Retail business

Revenue generated from this segment increased by approximately 8.1% period to period to approximately HK$251.4 million for the Period, benefiting from our well established retail channels, especially the online and live broadcast channels. It generated segment profit before tax of approximately HK$13.1 million when compared to the same period in the previous year of approximately HK$10.0 million.

The Group currently operates three brands. TUSCAN'S and Fashion & Joy are self-owned brands of the Group. TUSCAN'S is a brand of high quality handbags originated in Italy, while Fashion & Joy is a self-developed brand focusing on stylish travel luggage and business accessories designed and expertly crafted for bold and young trend-setters. In view of the growing demand for fashion goods, the Group took a bold move and started to enrich its brand portfolio by obtaining exclusive rights for distribution and operation of the global brand, Cole Haan, in mainland China, Hong Kong and Macau.

On the digital front, the Group continued to strengthen the development of its e-commerce platforms with most of its brands already available on Tmall and JD.com or their own brand websites and also our livestream channels. We have also co-operated with different key opinion leaders on Facebook and Tiktok. The Group has successfully built up its own livestream sales team with more than 70 people and achieved satisfactory results.

Manufacturing business

During the Period, revenue from the manufacturing business has decreased by approximately 22.5% when compared to the same period in the previous year. It was mainly because brand customers were more cautious when placing orders due to global inflationary pressures and geopolitical tensions which created uncertainty to the global economy. The manufacturing business has generated segment revenue from external customers of approximately HK$555.8 million with segment profit before tax of approximately HK$56.3 million for the Period.

Cost optimisation is one of the Group's key strategies to maintain considerable returns. Despite rising labour cost and keener competition, the Group continuously upgrades itself to meet the higher requirements of both existing and new customers, which include sourcing high quality raw materials at competitive prices, upgrading production facilities, continuing to optimise and streamline production procedures to boost competitiveness and satisfying brand customers' demands. The Group has made its best endeavours to tap new opportunities under a challenging business environment.

Property investment business

The Group expanded into the property investment market in 2016 by acquiring a 20-storey office building, now named as "Sitoy Tower", located in East Kowloon at 164 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. Prime office locations such as Central, Causeway Bay and nearby areas are occupied by enterprises and companies from the financial industry. Tenants from other industries, therefore, have to seek prime offices in other areas, such as East Kowloon, which are getting popular because of convenient locations, well-connected transportation options, and abundant lifestyle offerings such as shopping centres and entertainment facilities. In addition, the Company's office premise located at 4th to 5th Floor, The Genplas Building, 56 Hoi Yuen Road, Kwun Tong ceased to be for own use and was transferred to investment properties for rental income and capital appreciation purpose in early 2017. In 2019, the Group transferred its self-use property located at No. 1011, 10th Floor, Tower 1, Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, to investment property for rental income and capital appreciation purpose. The property investment segment is expected to generate stable returns for the Group. The property investment business has generated revenue of approximately HK$6.6 million with segment profit before tax of approximately HK$2.9 million during the Period.

PRODUCT RESEARCH, DEVELOPMENT AND DESIGN

The internal Creative Centre and R&D Centre of the Group offer customers one-stop design, research, development and manufacturing solutions, which help the Group serve its customers in response to fast changing consumer preferences and fashion trends as well as to develop and manufacture products with complex designs. By offering customers value-added services and high level of craftsmanship, the Group will strengthen its competitive edge in the industry, which in turn will attract and retain leading international and mainland Chinese brands of high-end and luxury products as our customers. In the future, the Group shall continue to source high quality raw materials at competitive prices, enhance the production machines, tools and systems and continue to optimise and streamline production procedures, ensure and stabilise the product qualities and reduce the reliance on labours to boost competitiveness of the Group and satisfy brand customers' demands.

PROSPECT

Retail business

In the view that the e-commerce sector will continue to grow in the PRC market, the Group had transformed one of the 4-storey factory buildings with more than 4,400 square meters in Dongguan to "Sitoy e-Commerce Center", which serves as a platform to provide all the necessary facilities and support to other brand owners for their e-commerce business. Sitoy e-Commerce Center will have livestreaming rooms, retail stores and show rooms. At the same time, the Group had also transferred additional two buildings to administrative, supporting and office to the Sitoy e-Commerce Center. Currently, it is in trial operation stage and is expected to have its grand opening very shortly in the second quarter of 2024.

We are confident that our retail segment can achieve a satisfactory growth in the next few years together with Sitoy e-Commence Center and our own livestreaming sales. We believe retail segment will become another major profit stream and bring considerable profit to the Group in the near future. We are open to any potential brand acquisitions which fits into our brand portfolio.

Manufacturing business

The global market for leather product business is tough as the overall economy goes through considerable changes, amidst geopolitical factors, inflation, market volatility and tight labour markets which had slowed down global growth.

In order to diversify the geographical risk of our manufacturing business, we will expand our production facility to Indonesia, in order to attract more new brand customers, especially those from North America. Which will broaden not only our manufacturing product range, but also the price range, as well as meeting the mass production demands of our brand customers. We had purchased a piece of land of approximately 22,000 square meters and a factory with more than 15,000 square meters is expected to be built on such land. Trail production is scheduled in 2024 and we expect this factory will begin operations during the financial year of 2024/2025. The factory is currently under construction.

Property investment business

The properties held by the Group are expected to continue to generate stable rental income for the Group in the coming six months of this fiscal year.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 14.9% to approximately HK$813.8 million for the six months ended 31 December 2023 from approximately HK$956.5 million for the six months ended 31 December 2022. This decrease was primarily due to the decrease in demand from the brand customers in the manufacturing business.

Cost of sales

Cost of sales of the Group decreased by approximately 17.8% to approximately HK$528.0 million for the six months ended 31 December 2023 from approximately HK$642.3 million for the six months ended 31 December 2022. The decrease in cost of sales was in line with the decrease in revenue.

Gross profit and gross profit margin

Gross profit decreased by approximately 9.0% to approximately HK$285.8 million for the six months ended 31 December 2023 from approximately HK$314.2 million for the six months ended 31 December 2022. Gross profit margin increased from 32.8% for the six months ended 31 December 2022 to 35.1% for the six months ended 31 December 2023, mainly due to the growth in retail business which generated higher gross profit margin.

Selling and distribution expenses

Selling and distribution expenses increased by approximately 10.8% to approximately HK$103.4 million for the six months ended 31 December 2023 from approximately HK$93.3 million for the six months ended 31 December 2022. The increase was primarily attributable to the launch of certain marketing activities of the retail business.

Administrative expenses

Administrative expenses increased by approximately 8.9% to approximately HK$114.6 million for the six months ended 31 December 2023 from approximately HK$105.3 million for the six months ended 31 December 2022 due to the grant of the share awards to senior managers for the six months ended 31 December 2023.

Other income and gains/expenses

Other income and gains decreased from approximately HK$31.9 million for the six months ended 31 December 2022 to approximately HK$10.2 million for the six months ended 31 December 2023.

Other expenses increased from approximately HK$7.5 million for the six months ended 31 December 2022 to approximately HK$9.7 million for the six months ended 31 December 2023.

The decrease in other income and gains and increase in other expenses were due to the exchange loss of approximately HK$9.0 million recorded in current Period which was included in other expenses. While exchange gain of approximately HK$22.4 million recorded for the six months ended 31 December 2022 was included in other income and gains.

Income tax expense

Under the current laws of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to tax on its income or capital gains. In addition, any payments of dividends are not subject to withholding tax in the Cayman Islands or the BVI.

Hong Kong Profits Tax as applicable to the Group was 16.5% for the six months ended 31 December 2023 and 2022 of the assessable profits arising in Hong Kong during the relevant periods.

Macau Complementary Income Tax has not been provided for as the Group has no assessable profit arising in Macau during the six months ended 31 December 2023 (six months ended 31 December 2022: nil).

The PRC Corporate Income Tax was based on a statutory rate of 25% of the assessable profit of all the subsidiaries incorporated in the PRC as determined in accordance with the PRC Corporate Income Tax Law.

The effective tax rate of the Group for the six months ended 31 December 2023 was 20.8% (2022: 22.7%).

Profit for the Period

The Group recorded net profit for the Period of approximately HK$53.6 million when compared to the same period in 2022 of approximately HK$106.1 million. The decrease in profit was mainly due to 1) global inflationary pressures and geopolitical tensions which created uncertainty to the global economy and had impacted our manufacturing business; and 2) exchange loss is recorded for the six months ended 31 December 2023 while exchange gain of approximately HK$22.4 million was recognised for the corresponding period in 2022.

Investment properties

Details of investment properties of the Group with carrying amounts of approximately HK$692.5 million and HK$692.5 million as at 31 December 2023 and 30 June 2023 respectively are as follows:

As at 31 December 2023 and 30 June 2023

Property	Address	Use	Lease term
Ground to 6th and 11th to 20th Floor, Sitoy Tower	Ground to 6th and 11th to 20th Floor, Sitoy Tower, No. 164 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong (Kwun Tong Inland lot number 316)	Commercial (for rental income and capital appreciation purposes)	Medium term lease
4th to 5th Floor, The Genplas Building	4th to 5th Floor, The Genplas Building, 56 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong (Kwun Tong Inland lot number 58)	Industrial (for rental income and capital appreciation purposes)	Medium term lease
No. 1011, 10th Floor, Tower 1, Silvercord	No. 1011, 10th Floor, Tower 1, Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong (Kowloon Inland lot number 10456)	Commercial (for rental income and capital appreciation purposes)	Medium term lease

Sitoy Tower is a trendy and prime office tower with a total gross floor area of approximately 70,000 square feet. 7th to 10th Floors are for the Group's own use as the Group's head office, showrooms for merchandise display and market week, whilst the remaining floors of Sitoy Tower are leased out for rental income. During the six months ended 31 December 2023, no fair value changes were recognised (31 December 2022: Fair value loss of HK$6.0 million).

Right-of-use assets

As at 31 December 2023, right-of-use assets increased from approximately HK$59.2 million as at 30 June 2023 to approximately HK$61.7 million. It was mainly due to the opening of certain new retail stores during the Period.

Capital expenditure

For the six months ended 31 December 2023, the capital expenditure of the Group amounted to approximately HK$34.4 million, primarily related to the expansion of retail business, upgrade and expansion of manufacturing facilities.

Significant investments

Save as disclosed, the Group had no significant investments held during the Period.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Period.

Treasury policy

The Group adopts treasury policy that aims to better control its treasury operations and lower borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

Liquidity and financial resources

The liquidity and financial resources position of the Group remains strong as it continues to adopt a prudent approach in managing its financial resources. The Group's cash and cash equivalents as at 31 December 2023 amounted to approximately HK$441.4 million (30 June 2023: approximately HK$403.9 million) which are mainly denominated in Hong Kong dollars, Renminbi, Euro and United States dollars. Based on the Group's steady cash inflow from operations coupled with sufficient cash and bank balances and readily available banking facilities, the Group has sufficient financial resources and a strong cash position to satisfy working capital requirements for business development, operations and capital expenditure. New investment opportunities, if any, would be funded by the Group's internal resources. The Group had no outstanding bank and other borrowings as at 31 December 2023 and hence no gearing ratio was presented (30 June 2023: Nil). The gearing ratio represents net debt divided by total capital plus net debt. The Group's net debt consists of interest-bearing bank borrowings, lease liabilities, trade and bills payables and other payables and accruals, less cash and cash equivalents.

Foreign exchange risk

The Group has transactional currency exposures. Such exposures arose from sales or purchases by operating units in currencies other than the units' functional currency. During the six months ended 31 December 2023, 66.7% (31 December 2022: 74.5%) of the Group's sales were denominated in currencies other than the functional currency of the operating units making the transaction, whilst approximately 90.0% (31 December 2022: 89.1%) of costs were denominated in the units' functional currency. As at 31 December 2023, the Group had no foreign exchange forward contracts and other financial derivatives outstanding (30 June 2023: nil).

Pledge of assets

As at 31 December 2023, approximately HK$25.6 million time deposits were pledged as securities for banking facilities granted to the Group (30 June 2023: approximately HK$24.8 million).

Inventory turnover days

Inventory turnover days increased to 81 days for the six months ended 31 December 2023 from 80 days for the year ended 30 June 2023.

Trade receivables turnover days

Trade receivables turnover days decreased to 76 days for the six months ended 31 December 2023 compared with 77 days for the year ended 30 June 2023. The Group did not experience any significant credit risk due to strict credit control policies.

Trade and bills payables turnover days

Trade and bills payables turnover days decreased to 69 days for the six months ended 31 December 2023 compared with 75 days for the year ended 30 June 2023. It was mainly due to decrease in average trade and bills payables.

Off-balance sheet commitments and arrangements and contingent liabilities

As at 31 December 2023, the Group did not have any material off-balance sheet commitments and arrangements. The Group did not have any material contingent liabilities as at 31 December 2023.

EMPLOYEES

As at 31 December 2023, the Group had about 4,500 employees. In addition to the basic salaries, performance bonuses will be offered to those staff members with good performance. The PRC subsidiaries of the Group are subject to social insurance, provident housing fund and certain other employee benefits in accordance with the PRC laws and regulations and adhere to both statutory employment standards and those requested by customers, such as minimum wage levels and maximum working hours. Moreover, the Group provides staff quarters for most employees and, in case of certain senior employees, family quarters. The Group also provides various amenities and recreational facilities such as canteen, sports site, library and internet centre for the employees. The Group will continue to improve the working environment in the manufacturing facilities and the living facilities for the employees. The Directors believe that the remuneration packages and fringe benefits offered by the Group to its staff members are competitive in comparison with market standards and practices. Since human resource management is an important factor in maintaining and further enhancing the Group's strong expertise and know-how in the craftsmanship of handbags, small leather goods and travel goods, the in-house employee training centre provides pre-job training programs to the new recruits before they are assigned to work at the manufacturing facilities of the Group. From time to time, different levels of on-the-job training will be provided to the employees to broaden their skills and enhance their productivity.

The Company also adopted a share option scheme on 15 November 2011 (which has lapsed on 14 November 2021) and a share award scheme on 12 July 2018 (the "Share Award Scheme") for the purpose of recognising employees' contribution.

DIVIDEND, RECORD AND PAYMENT DATES

The Directors have declared an interim dividend of HK2 cents (six months ended 31 December 2022: HK4 cents) per ordinary share to the shareholders for the six months ended 31 December 2023 in recognition of their continuous support. The interim dividend will be paid to shareholders whose names appear on the register of members of the Company on Friday, 5 April 2024. It is expected that the interim dividend will be paid on or before Monday, 29 April 2024.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 2 April 2024 to Friday, 5 April 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Thursday, 28 March 2024.

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Hong Kong Exchange (the "Listing Rules") as its code of conduct governing securities transactions by the Directors.

Specific enquiry has been made with all Directors and all Directors have confirmed that they had fully complied with the required standard set out in the Model Code for the six months ended 31 December 2023.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to written guidelines on no less exacting terms than those in the Model Code.

No incident of non-compliance with these guidelines by the relevant employees for the six months ended 31 December 2023 was noted by the Company.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to its shareholders. The Board strives to adhere to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as risk management and internal control, fair disclosure and accountability to all shareholders of the Company to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for the shareholders of the Company. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for the shareholders of the Company.

The Board has adopted a set of corporate governance practices which aligns with or is more restrictive than the requirements set out in the Corporate Governance Code (the "CG Code") set out in Appendix C1 to the Listing Rules. The Board is of the view that the Company has complied with the code provisions set out in the CG Code for the six months ended 31 December 2023.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the CG Code. The primary duties of the audit committee are to review and supervise the financial reporting process and risk management over financial reporting system and internal control systems of the Group. The audit committee comprises Mr. Yeung Chi Tat (Chairman), Mr. Kwan Po Chuen, Vincent, Mr. Lung Hung Cheuk and Ms. Lee Pao Yue, all of whom are independent non-executive Directors. The interim condensed consolidated financial statements for the six months ended 31 December 2023 have not been audited, but the audit committee has discussed with the management of the Company and the external auditors, Ernst & Young, on the appropriateness and consistency of the accounting policies that have been adopted by the Company. In addition, Ernst & Young has performed certain agreed upon procedures in accordance with the request of the audit committee regarding the interim results and the interim report for the six months ended 31 December 2023 and has reported to the audit committee accordingly. The audit committee has reviewed the interim results and the interim report of the Group for the six months ended 31 December 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 31 December 2023.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.sitoy.com) and the Hong Kong Exchange (www.hkexnews.hk). The Company's interim report for the six months ended 31 December 2023 will be despatched to the shareholders of the Company and available on the above websites in due course.

SUPPLEMENTAL INFORMATION IN RELATION TO THE 2023 ANNUAL REPORT

Reference is made to the annual report of the Company for the year ended 30 June 2023 (the "2023 Annual Report"). The Board would like to provide further information pursuant to Chapter 17 of the Listing Rules in relation to the Share Award Scheme under the section headed "Share Award Scheme" on pages 48 to 49 of the 2023 Annual Report as below:

The participants of the Share Award Scheme may include any directors and senior managers of the Group. The remaining life of the Share Award Scheme, which will expire on 11 July 2028, is approximately four years and ten months from the date of 2023 Annual Report.

During the year ended 30 June 2023 ("FY2023"), award shares were granted to 12 non-connected grantees, particulars of which are set out in the table on page 49 of the 2023 Annual Report. Out of the 12 non-connected grantees, one grantee is an individual being one of the five highest paid employees during FY2023. Details of the movements of the share awards under the Share Award Scheme during FY2023 are as follows:

		Number of Award Shares					
Date of grant	**Closing price immediately before the date of grant**	**As at 1 July 2022**	**Granted during FY2023**	**Vested during FY2023**	**Lapsed during FY2023**	**As at 30 June 2023**	**Vesting Period**
Five highest paid employees							
10 March 2023	HK$0.83	–	1,005,582	1,005,582	–	–	–
26 June 2023	HK$0.85	–	1,745,600	–	–	1,745,600	26 June 2023 to 26 June 2025
Other employees							
10 March 2023	HK$0.83	–	2,255,266	2,255,266	–	–	–
26 June 2023	HK$0.85	–	11,855,400	–	–	11,855,400	26 June 2023 to 26 June 2025
		–	16,861,848	3,260,848	–	13,601,000	

Save as disclosed above, all other information set out in the 2023 Annual Report remains unchanged.

By order of the Board
Sitoy Group Holdings Limited
Yeung Michael Wah Keung
Chairman

Hong Kong, 26 February 2024

As at the date of this announcement, the executive Directors are Mr. Yeung Michael Wah Keung, Dr. Yeung Wo Fai, Mr. Yeung Andrew Kin and Mr. Chan Tung Chit; non-executive Director is Dr. Lau Kin Shing, Charles; and the independent non-executive Directors are Mr. Yeung Chi Tat, Mr. Kwan Po Chuen, Vincent, Mr. Lung Hung Cheuk and Ms. Lee Pao Yue.