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## **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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2024 AND CHANGE OF COMPANY SECRETARY**

The board (the “**Board**”) of directors (the “**Directors**”) of Sityo Group Holdings Limited (the “**Company**”) announces the audited consolidated annual results of the Company and its subsidiaries (together, the “**Group**”) for the year ended 30 June 2024 (“**FY2024**”).

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

		<b>Year ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>REVENUE</b>	4	<b>1,606,481</b>	1,827,792
Cost of sales		<b>(1,034,206)</b>	(1,222,076)
Gross profit		<b>572,275</b>	605,716
Other income and gains	4	<b>18,255</b>	57,835
Selling and distribution expenses		<b>(212,269)</b>	(182,305)
Administrative expenses		<b>(232,584)</b>	(206,420)
Reversal/(provision) of impairment losses on financial assets, net		<b>443</b>	(97)
Other expenses		<b>(15,876)</b>	(13,016)
Finance costs	5	<b>(2,079)</b>	(3,058)
<b>PROFIT BEFORE TAX</b>	6	<b>128,165</b>	258,655
Income tax expense	7	<b>(26,277)</b>	(55,859)
<b>PROFIT FOR THE YEAR</b>		<b>101,888</b>	202,796
Attributable to:			
Equity holders of the Company		<b>101,888</b>	202,796

		<b>Year ended 30 June</b>	
		<b>2024</b>	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>EARNINGS PER SHARE</b>			
<b>ATTRIBUTABLE TO ORDINARY</b>			
<b>EQUITY HOLDERS OF THE PARENT</b>	9		
Basic (HK cents)		<u>10.58</u>	<u>21.05</u>
Diluted (HK cents)		<u>10.45</u>	<u>21.05</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
<b>PROFIT FOR THE YEAR</b>	<b><u>101,888</u></b>	<b><u>202,796</u></b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>7,072</u>	<u>(95,253)</u>
<b>Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods</b>	<b><u>7,072</u></b>	<b><u>(95,253)</u></b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	<b><u>7,072</u></b>	<b><u>(95,253)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>108,960</u></b>	<b><u>107,543</u></b>
Attributable to:		
Equity holders of the Company	<b><u>108,960</u></b>	<b><u>107,543</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 30 June 2024 <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		312,249	281,499
Investment properties		683,056	692,456
Right-of-use assets		46,429	59,227
Other intangible assets		2,424	2,424
Deferred tax assets		13,718	15,315
Other non-current assets		2,268	163
Total non-current assets		<b>1,060,144</b>	1,051,084
<b>CURRENT ASSETS</b>			
Inventories		217,220	214,441
Trade receivables	10	297,185	381,831
Prepayments, other receivables and other assets		51,979	61,051
Income tax recoverable		1,118	1,684
Pledged deposits		25,939	24,793
Cash and cash equivalents		460,551	403,855
Total current assets		<b>1,053,992</b>	1,087,655
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	133,554	161,661
Other payables and accruals		90,197	91,557
Lease liabilities		17,224	23,453
Tax payable		42,938	51,992
Deferred income		393	–
Total current liabilities		<b>284,306</b>	328,663
<b>NET CURRENT ASSETS</b>		<b>769,686</b>	758,992
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,829,830</b>	1,810,076
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		18,543	24,057
Deferred tax liabilities		5,551	5,160
Deferred income		337	1,111
Total non-current liabilities		<b>24,431</b>	30,328
Net assets		<b>1,805,399</b>	1,779,748
<b>EQUITY</b>			
Share capital		96,543	96,543
Treasury shares		(4,044)	–
Reserves		1,712,900	1,683,205
Equity attributable to equity holders of the Company		<b>1,805,399</b>	1,779,748
Total equity		<b>1,805,399</b>	1,779,748

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP 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 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. ACCOUNTING POLICIES

#### 2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 30 June 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date, on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 Changes in accounting policies and disclosures

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 17	<i>Insurance Contracts</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The nature and the 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 "*Making Materiality Judgements*" provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's 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. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

- (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 July 2021. Upon initial application of these amendments, the Group recognised (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 at 1 July 2021, with cumulative effect recognised as an adjustment to the balances of retained profits and non-controlling interests at that date.
- (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. 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 organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) Retail: engages in the retail and wholesale of handbags, small leather goods, travel goods and footwear products for the brands owned or licensed by the Group, designs handbags and accessories and provides 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 spaces for its rental income or capital appreciation purposes.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except corporate and unallocated expenses, which 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.

	Year ended 30 June 2024			
	Retail	Manufacturing	Property	Total
	HK\$'000	HK\$'000	investment	HK\$'000
			HK\$'000	
<b>Segment revenue (note 4):</b>				
Sales to external customers	527,741	1,066,341	12,399	1,606,481
Intersegment sales	–	133,701	3,072	136,773
	<hr/>	<hr/>	<hr/>	<hr/>
Total segment revenue	527,741	1,200,042	15,471	1,743,254
<i>Reconciliation:</i>				
Elimination of intersegment sales				(136,773)
				<hr/>
Total revenue				<b>1,606,481</b>
				<hr/>
Segment results	26,755	110,234	(3,359)	133,630
<i>Reconciliation:</i>				
Corporate and other unallocated expenses				(5,465)
				<hr/>
Profit before tax				<b>128,165</b>
				<hr/>
Segment assets	446,575	2,053,488	764,850	3,264,913
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(1,278,144)
Corporate and other unallocated assets				127,367
				<hr/>
Total assets				<b>2,114,136</b>
				<hr/>
Segment liabilities	746,702	220,138	619,721	1,586,561
<i>Reconciliation:</i>				
Elimination of intersegment payables				(1,278,144)
Corporate and other unallocated liabilities				320
				<hr/>
Total liabilities				<b>308,737</b>
				<hr/>
<b>Other segment information:</b>				
Depreciation of items of property, plant and equipment	7,578	18,314	–	25,892
Unallocated depreciation of items of property, plant and equipment				2,536
				<hr/>
				28,428
				<hr/>
Depreciation of right-of-use assets	20,308	6,606	–	26,914
Reversal of write-down of inventories to net realisable value	(1,502)	(2,644)	–	(4,146)
Lease payments not included in the measurement of lease liabilities	15,390	144	–	15,534
Capital expenditure*	17,348	46,828	–	64,176
	<hr/>	<hr/>	<hr/>	<hr/>



	Year ended 30 June 2023			
	Retail HK\$'000	Manufacturing HK\$'000	Property investment HK\$'000	Total HK\$'000
<b>Segment revenue (note 4):</b>				
Sales to external customers	471,800	1,342,488	13,504	1,827,792
Intersegment sales	–	165,856	3,072	168,928
	<hr/>	<hr/>	<hr/>	<hr/>
Total segment revenue	471,800	1,508,344	16,576	1,996,720
<i>Reconciliation:</i>				
Elimination of intersegment sales				(168,928)
				<hr/>
Total revenue				<u>1,827,792</u>
Segment results	29,398	233,235	523	263,156
<i>Reconciliation:</i>				
Corporate and other unallocated expenses				(4,501)
				<hr/>
Profit before tax				<u>258,655</u>
Segment assets	438,017	2,137,055	766,605	3,341,677
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(1,329,506)
Corporate and other unallocated assets				126,568
				<hr/>
Total assets				<u>2,138,739</u>
Segment liabilities	756,815	311,691	619,585	1,688,091
<i>Reconciliation:</i>				
Elimination of intersegment payables				(1,329,506)
Corporate and other unallocated liabilities				406
				<hr/>
Total liabilities				<u>358,991</u>
<b>Other segment information:</b>				
Depreciation of items of property, plant and equipment	5,816	24,155	–	29,971
Unallocated depreciation of items of property, plant and equipment				2,529
				<hr/>
				32,500
Depreciation of right-of-use assets	22,928	6,755	–	29,683
Reversal of write-down of inventories to net realisable value	(11,980)	(2,582)	–	(14,562)
Lease payments not included in the measurement of lease liabilities	14,552	117	–	14,669
Capital expenditure*	9,461	5,204	–	14,665
	<hr/>	<hr/>	<hr/>	<hr/>

\* Capital expenditure consists of additions to property, plant and equipment, other intangible assets, and investment properties during the year.

## Geographical information

### (a) Revenue from external customers

	Year ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
<b>Revenue</b>		
Chinese Mainland, Hong Kong, Macau and Taiwan	820,518	746,006
North America	278,819	375,551
Europe	262,384	316,750
Other Asian countries	224,166	350,492
Other countries/regions	20,594	38,993
Total revenue	<u>1,606,481</u>	<u>1,827,792</u>

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

### (b) Non-current assets

	As at	As at
	30 June	30 June
	2024	2023
	HK\$'000	HK\$'000
Chinese Mainland, Hong Kong	1,005,550	1,035,769
Indonesia	40,876	–
Total	<u>1,046,426</u>	<u>1,035,769</u>

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

## Information about a major customer

For the year ended 30 June 2024, revenue derived from sales by the manufacturing segment to a major customer amounting to approximately HK\$293,961,000 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 a parent of that customer.

For the year ended 30 June 2023, revenue derived from sales by the manufacturing segment to a major customer amounting to approximately HK\$334,018,000 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 a parent of that customer.

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 30 June	
	2024 HK\$'000	2023 HK\$'000
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>1,594,082</u>	<u>1,814,288</u>
<i>Revenue from other sources</i>		
Gross rental income	<u>12,399</u>	<u>13,504</u>
Total	<u>1,606,481</u>	<u>1,827,792</u>

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

#### For the year ended 30 June 2024

Segments	Retail HK\$'000	Manufacturing HK\$'000	Total HK\$'000
<b>Type of goods or services</b>			
Sale of goods	<u>527,741</u>	<u>1,066,341</u>	<u>1,594,082</u>
<b>Geographical markets</b>			
North America	–	278,819	278,819
Europe	–	262,384	262,384
Chinese Mainland, Hong Kong, Macau and Taiwan	527,741	280,378	808,119
Other Asian countries	–	224,166	224,166
Others	–	20,594	20,594
Total	<u>527,741</u>	<u>1,066,341</u>	<u>1,594,082</u>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	<u>527,741</u>	<u>1,066,341</u>	<u>1,594,082</u>

**For the year ended 30 June 2023**

Segments	Retail <i>HK\$'000</i>	Manufacturing <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Type of goods or services</b>			
Sale of goods	471,800	1,342,488	1,814,288
<b>Geographical markets</b>			
North America	–	375,551	375,551
Europe	–	316,750	316,750
Chinese Mainland, Hong Kong, Macau and Taiwan	471,800	260,702	732,502
Other Asian countries	–	350,492	350,492
Others	–	38,993	38,993
Total	471,800	1,342,488	1,814,288
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	471,800	1,342,488	1,814,288

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

**For the year ended 30 June 2024**

Segments	Retail <i>HK\$'000</i>	Manufacturing <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>			
Sales to external customers	527,741	1,066,341	1,594,082
Intersegment sales	–	133,701	133,701
Subtotal	527,741	1,200,042	1,727,783
Elimination of intersegment sales	–	(133,701)	(133,701)
Total	527,741	1,066,341	1,594,082

**For the year ended 30 June 2023**

Segments	Retail <i>HK\$'000</i>	Manufacturing <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>			
Sales to external customers	471,800	1,342,488	1,814,288
Intersegment sales	–	165,856	165,856
Subtotal	471,800	1,508,344	1,980,144
Elimination of intersegment sales	–	(165,856)	(165,856)
Total	471,800	1,342,488	1,814,288

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	<b>Year ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period		
Sale of goods	<b>7,976</b>	8,920

**(ii) Performance obligations**

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

*Sale of handbags, small leather goods, etc.*

The performance obligation is satisfied upon delivery of handbags, small leather goods, etc. The payment of the manufacturing segment is generally due within 30 to 150 days from delivery, except for new customers, where payment in advance is normally required. The payment of the retail segment is generally due within 60 days from delivery, except for new customers, where payment in advance is normally required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are as follows:

	<b>Year ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Amounts expected to be recognised as revenue:		
Within one year	<b>5,236</b>	7,976

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue in one year relate to the sale of handbags, small leather goods, etc. The amounts disclosed above do not include variable consideration which is constrained.

**Other income and gains**

	<b>Year ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Interest income	<b>10,420</b>	7,856
Compensation and disposal income	<b>3,346</b>	2,548
Government grants	<b>2,809</b>	5,009
Exchange gain, net	–	40,402
Others	<b>1,680</b>	2,020
Total other income and gains	<b>18,255</b>	57,835

## 5. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Year ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Interest on bank borrowings	–	541
Interest on lease liabilities	<b>2,079</b>	2,517
Total	<b>2,079</b>	<b>3,058</b>

## 6. PROFIT BEFORE TAX

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

	Year ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Cost of inventories sold	<b>1,034,206</b>	1,222,076
Employee benefit expense (including Directors' and chief executive's remuneration)		
Wages and salaries	<b>345,364</b>	391,968
Equity-settled share award expense	<b>7,551</b>	2,824
Pension scheme contributions	<b>27,190</b>	28,267
Total	<b>380,105</b>	423,059
Depreciation of items of property, plant and equipment	<b>28,428</b>	32,500
Depreciation of right-of-use assets	<b>26,914</b>	29,683
Fair value loss on investment properties (included in other expenses)	<b>9,400</b>	7,300
(Reversal of impairment losses)/impairment losses of trade receivables, net	<b>(443)</b>	97
Impairment of right-of-use assets	<b>900</b>	–
Impairment of property, plant and equipment	<b>172</b>	–
Reversal of write-down of inventories to net realisable value	<b>(4,146)</b>	(14,562)
Loss on disposal of items of property, plant and equipment	<b>2,419</b>	4,573
Revision of a lease term arising from a change in the non-cancellable period of a lease (included in other income and gains as "Others")	<b>(160)</b>	–
Lease payments not included in the measurement of lease liabilities	<b>15,534</b>	14,669
Auditors' remuneration	<b>2,350</b>	2,350
Exchange loss/(gain), net	<b>2,385</b>	(40,402)

## 7. 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 year ended 30 June 2024 (FY2023: 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 year ended 30 June 2024 (FY2023: nil).

Indonesia Complementary income tax has not been provided for as the Group has no assessable profit arising in Indonesia during the year ended 30 June 2024.

Provision for PRC corporate income tax is based on a statutory rate of 25% for the year ended 30 June 2024 (FY2023: 25%) of the assessable profits of the subsidiaries in Chinese Mainland as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

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

	Year ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Current – Hong Kong		
Charge for the year	15,087	41,923
Adjustments in respect of current income tax of previous years	2,043	(2,596)
Current – Chinese Mainland		
Charge for the year	11,119	14,126
Adjustments in respect of current income tax of previous years	(4,057)	(142)
Deferred tax	2,085	2,548
	<hr/>	<hr/>
Total tax charge for the year	26,277	55,859
	<hr/>	<hr/>

## 8. DIVIDENDS

	Year ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interim – 2024: HK2 cents per ordinary share (30 June 2023: HK4 cents per ordinary share)	19,284	38,508
Proposed final – 2024: HK4 cents per share (30 June 2023: HK7 cents per share) (i)	38,360	67,532
	<hr/>	<hr/>
Total	57,644	106,040
	<hr/>	<hr/>

Note:

- (i) The Board proposed a final dividend of HK4 cents per share for the year ended 30 June 2024 (FY2023: a final dividend of HK7 cents per share).

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the years ended 30 June 2024 and 2023 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 end of the reporting period, and the weighted average number of ordinary shares of 963,383,000 (FY2023: 963,539,000) in issue less treasury shares during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the years ended 30 June 2024 and 2023 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 outstanding during the years ended 30 June 2024 and 2023, 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 year ended 30 June 2024 and the year ended 30 June 2023, the exercise of the Company's outstanding share options was not assumed in the calculation of diluted earnings per share as the exercise price of those options was higher than the average market price of the shares of the Company.

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

	<b>Year ended 30 June</b>	
	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the Company used in the basic and diluted earnings per share calculations	<u>101,888</u>	202,796
Total	<u>101,888</u>	<u>202,796</u>
	<b>Year ended 30 June</b>	
	<b>2024</b>	2023
<b>Number of shares</b>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<u>963,383,000</u>	963,539,000
Effect of dilution – weighted average number of ordinary shares	<u>11,612,000</u>	–
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	<u>974,995,000</u>	<u>963,539,000</u>
Basic		
For profit for the year (HK cents)	<u>10.58</u>	<u>21.05</u>
Diluted		
For profit for the year (HK cents)	<u>10.45</u>	<u>21.05</u>



## 10. TRADE RECEIVABLES

	As at <b>30 June 2024</b> <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>
Trade receivables	<b>300,681</b>	386,807
Impairment	<b>(3,496)</b>	(4,976)
Total	<b><u>297,185</u></b>	<u>381,831</u>

The Group grants different credit periods to customers. The Group generally requires its customers to make payments at various stages of a sale transaction. The credit period for individual customers is considered on a case-by-case basis and set out in the sale contracts, as appropriate. Certain customers are required to make partial payments before or upon delivery. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimise credit risk. Overdue balances are reviewed regularly by senior management. 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 <b>30 June 2024</b> <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>
Within 90 days	<b>277,581</b>	355,807
91 to 180 days	<b>13,668</b>	22,433
Over 180 days	<b>5,936</b>	3,591
Total	<b><u>297,185</u></b>	<u>381,831</u>

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

	Year ended <b>30 June 2024</b> <i>HK\$'000</i>	Year ended 30 June 2023 <i>HK\$'000</i>
At beginning of year	<b>4,976</b>	6,457
(Reversal of impairment losses)/impairment losses, net	<b>(443)</b>	97
Written off	<b>(1,062)</b>	(1,299)
Exchange realignment	<b>25</b>	(279)
At end of year	<b><u>3,496</u></b>	<u>4,976</u>

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 customer type and rating). 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 30 June 2024	Current <i>HK\$'000</i>	Past due			Total <i>HK\$'000</i>
		Less than 3 months <i>HK\$'000</i>	3 to 6 months <i>HK\$'000</i>	Over 6 months <i>HK\$'000</i>	
Expected credit loss rate	0.60%	2.13%	17.93%	31.30%	1.16%
Gross carrying amount ( <i>HK\$'000</i> )	274,005	21,875	909	3,892	300,681
Expected credit losses ( <i>HK\$'000</i> )	<u>1,648</u>	<u>467</u>	<u>163</u>	<u>1,218</u>	<u>3,496</u>

As at 30 June 2023	Current <i>HK\$'000</i>	Past due			Total <i>HK\$'000</i>
		Less than 3 months <i>HK\$'000</i>	3 to 6 months <i>HK\$'000</i>	Over 6 months <i>HK\$'000</i>	
Expected credit loss rate	0.54%	1.47%	12.86%	29.46%	1.29%
Gross carrying amount ( <i>HK\$'000</i> )	333,859	44,264	280	8,404	386,807
Expected credit losses ( <i>HK\$'000</i> )	<u>1,813</u>	<u>651</u>	<u>36</u>	<u>2,476</u>	<u>4,976</u>

## 11. TRADE AND BILLS PAYABLES

An ageing 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 30 June 2024 <i>HK\$'000</i>	As at 30 June 2023 <i>HK\$'000</i>
Within 90 days	126,460	149,821
91 to 180 days	5,250	11,043
181 to 365 days	1,331	291
Over 365 days	<u>513</u>	<u>506</u>
Total	<u>133,554</u>	<u>161,661</u>

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **Retail business**

Revenue generated from this segment increased by approximately 11.9% year-on-year to approximately HK\$527.7 million for FY2024 and recorded segment profit before tax of approximately HK\$26.8 million when compared to previous year of approximately HK\$29.4 million. It was mainly because of the increase in e-commerce business.

The Group operated four brands as at 30 June 2024. TUSCAN'S, Fashion & Joy and Duffy are self-owned brands of the Group. TUSCAN'S is a brand of high quality handbags originated in Italy. 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. While Duffy creates luxury leather goods that combine artisanal craftsmanship and modern innovation. 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.

#### **Manufacturing business**

During FY2024, the Group's purchase orders received from its external customers have decreased by approximately 20.6% when compared to the previous year. The manufacturing business has generated segment revenue from external customers of approximately HK\$1,066.3 million with segment profit before tax of approximately HK\$110.2 million when compared to previous year of HK\$233.2 million. The decrease is mainly because of inventory gluts for certain major customers who had scaled down their orders.

The following strategies were adopted by the Group, which were well recognised:

- (1) **Market and Product Diversifications:** more than five years ago, we began to diversify our market reach. Currently, the proportion of revenue from North America, Europe and Asian markets are more evenly distributed. Our facilities produce handbags, small leather goods and traveling goods, which fulfill various needs of our customers;
- (2) **Maintaining Our Core Competitiveness:** with the lead by a capable and experienced management team, we are not only able to provide higher level of craftsmanship and reliable supply chain management, but also top quality products and credibility to our customers; and
- (3) **Production Flexibilities:** with our different product plants in the PRC and Indonesia, we are able to manage our production lines to fit various production requirements. Our overseas plant in Indonesia is expected to contribute extra revenue in the financial year 2024/2025, which will offer alternatives to our new customers, especially those brand customers from North America.

## **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 No. 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 premises located at 4-5th Floors, The Genplas Building, No. 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\$12.4 million with segment result of loss before tax of approximately HK\$3.4 million during FY2024 as a result of net fair value loss on the investment properties of approximately HK\$9.4 million.

## **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.

## **FINANCIAL REVIEW**

### **Revenue**

The Group’s revenue decreased by approximately 12.1% to approximately HK\$1,606.5 million for FY2024 from approximately HK\$1,827.8 million for the year ended 30 June 2023 (“FY2023”), which is mainly due to the downturn of the manufacturing business.

### **Cost of sales**

Cost of sales of the Group decreased by approximately 15.4% to approximately HK\$1,034.2 million for FY2024 from approximately HK\$1,222.1 million for FY2023. 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 5.5% to approximately HK\$572.3 million for FY2024 from approximately HK\$605.7 million for FY2023. The gross profit margin increased to approximately 35.6% for FY2024 from approximately 33.1% for FY2023. It was mainly due to the increasing contributions from the retail business which generating high gross profit margin.

### **Other income and gains**

Other income and gains decreased by approximately 68.4% to approximately HK\$18.3 million for FY2024 from approximately HK\$57.8 million for FY2023. It was mainly due to the depreciation of Renminbi against United States dollar, which recorded exchange gain of approximately HK\$40.4 million for FY2023 and incurred net exchange loss of approximately HK\$2.4 million for FY2024.

### **Selling and distribution expenses**

Selling and distribution expenses increased by approximately 16.5% to approximately HK\$212.3 million for FY2024 from approximately HK\$182.3 million for FY2023. The increase was primarily attributable to the launch of certain marketing activities of the retail business.

### **Administrative expenses**

Administrative expenses increased by approximately 12.7% to approximately HK\$232.6 million for FY2024 from approximately HK\$206.4 million for FY2023. It is mainly due to the expansion of the e-commerce team and hence more staff were hired to support the growth and more management staff were recruited to support the operation of the Indonesia factory.

### **Other expenses**

Other expenses increased to approximately HK\$15.9 million for FY2024 from approximately HK\$13.0 million for FY2023. The increase was mainly due to higher fair value loss of approximately HK\$9.4 million in respect of the investment properties was recognized (FY2023: HK\$7.3 million).

## **Income tax expense**

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

Hong Kong profits tax as applicable to the Group was 16.5% for the years ended 30 June 2024 and 2023 on the estimated assessable profits arising in or derived from Hong Kong during the relevant year.

Macau Complementary Income Tax has not been provided for as the Group had no assessable profit arising in Macau during FY2024 (FY2023: nil).

Indonesia Complementary income tax has not been provided for as the Group has no assessable profit arising in Indonesia during FY2024 (FY2023: nil).

The PRC corporate income tax was based on a statutory rate of 25% (FY2023: 25%) of the assessable profit of all the subsidiaries incorporated in the PRC as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008.

## **Profit for the year**

The Group recorded net profit for the year of approximately HK\$101.9 million for FY2024 when compared to the profit for the year in 2023 of approximately HK\$202.8 million.

## Investment properties

Details of investment properties of the Group with carrying amounts of approximately HK\$683.1 million and HK\$692.5 million as at 30 June 2024 and 30 June 2023 respectively are as follows:

### *As at 30 June 2024 and 2023*

Property	Address	Use	Lease term
Ground to 6th and 11th to 20th Floors, Sitoy Tower	Ground to 6th and 11th to 20th Floors, 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 Floors, The Genplas Building	4th to 5th Floors, The Genplas Building, No. 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 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 year ended 30 June 2017, the Company's offices located at 4th to 5th Floors, The Genplas Building, No. 56 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong (with a gross floor area of approximately 9,710 square feet) ceased for the Group's own use and were leased out for rental purpose.

During the year ended 30 June 2019, the Company's office located at No. 1011, 10th Floor, Tower 1, Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong (with a gross floor area of approximately 2,060 square feet) ceased for the Group's own use and was leased out for rental income.

## Cash and cash equivalents

Cash and cash equivalents increased by approximately 14.0% to approximately HK\$460.6 million as at 30 June 2024. The increase was mainly due to increase in net cash flow generated from operating activities.

## **Capital expenditure**

For FY2024, capital expenditure of the Group amounted to approximately HK\$64.2 million, primarily due to the expansion of retail business and construction of the Indonesia factory.

## **Significant investments**

The Group had no significant investments held during FY2024.

## **Material acquisitions and disposals of subsidiaries, associates and joint ventures**

The Group had no other material acquisitions or disposals of subsidiaries, associates or joint ventures during FY2024.

## **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 30 June 2024 amounted to approximately HK\$460.6 million (FY2023: HK\$403.9 million), which are mainly denominated in Hong Kong dollars, Renminbi, Euro, US dollars and Indonesia Rupiah. 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 30 June 2024 and hence no gearing ratio was presented (FY2023: 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 had transactional currency exposures for FY2024. Such exposures arose from sales or purchases by operating units in currencies other than the units' functional currency. During FY2024, 65.3% (FY2023: 72.9%) of the Group's sales were denominated in currencies other than the functional currency of the operating units making the sale, whilst approximately 88.3% (FY2023: 89.0%) of the costs were denominated in the units' functional currency.

Most of the transactions of the Group were denominated in Hong Kong dollars, US dollars, Euro, Renminbi and Indonesia Rupiah. The Group is exposed to foreign exchange risk arising from exposure in the US dollars, Euro, Renminbi and Indonesia Rupiah against Hong Kong dollars.

It is the Group's consistent policy to centralize foreign exchange management to monitor total foreign currency exposure, to net off affiliate positions, and, if necessary, to consolidate hedging transactions with banks. In addition, various bank facilities have been arranged in these currencies, to meet our daily operating expenses and capital investment requirements. Hence, in our operating business model, the Group's revenue is mostly matched to the currencies of the outlay. As far as possible, the Group aims to achieve natural hedging by investing and borrowing in the functional currencies. Where a natural hedge is not possible, the Group will mitigate foreign exchange risks via appropriate foreign exchange forward contracts.

As at 30 June 2024 and 2023, the Group did not have any outstanding foreign exchange forward contract.

## **Pledge of assets**

As at 30 June 2024, approximately HK\$25.9 million of time deposits were pledged as security for banking facilities available to the Group (FY2023: HK\$24.8 million).

## **Inventory turnover days**

Inventory turnover days decreased to 79 days for FY2024 from 80 days for FY2023.

## **Trade receivables turnover days**

Trade receivables turnover days increased to 78 days for FY2024 from 77 days for FY2023. The Group did not experience any significant credit risks due to strict credit control policies.

## **Trade and bills payables turnover days**

Trade and bills payables turnover days decreased to 66 days for FY2024 from 75 days for FY2023. Trade payables are non-interest bearing and are generally settled within 90 days.

## **Off-balance sheet commitments and arrangements and contingent liabilities**

As at 30 June 2024, the Group did not have any material off-balance sheet commitments and arrangements and contingent liabilities.

## **EMPLOYEES**

As at 30 June 2024, the Group had about 4,200 employees. In addition to the basic salaries, performance bonuses will be offered to those staff members with good performance. The PRC subsidiaries of the Company are subject to social insurance, provident housing fund and certain other employee benefits in accordance with PRC laws and regulations. The Group also adheres to 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 the case of certain senior employees, family quarters. The Group also provides various amenities and recreation facilities such as canteens, sports grounds, library and internet center for its employees. The Group will continue to improve the working environment in the manufacturing facilities and the living qualities for its staff. 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 center 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 approved on 15 November 2011 and a share award scheme approved on 12 July 2018 for the purpose of, among other things, recognition of employees' contribution.

## **PROPOSED DIVIDEND**

An interim dividend of HK2 cents per share was paid on 29 April 2024. The Directors proposed the payment of a final dividend of HK4 cents per share for FY2024 (30 June 2023: a final dividend of HK7 cents per share) to the shareholders whose names appear on the register of members of the Company on Friday, 29 November 2024. The proposed dividend, subject to approval by the shareholders at the annual general meeting to be held on Monday, 18 November 2024 (the "**2024 AGM**"), will be paid on or before Monday, 23 December 2024.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 11 November 2024 to Monday, 18 November 2024 (both days inclusive), during which period no share transfer will be registered. The record date for determining shareholders of the Company entitled to attend the 2024 AGM will be Monday, 18 November 2024. In order to be eligible to attend and vote at the 2024 AGM, 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 (the "**Hong Kong Branch Share Registrar**"), 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 Friday, 8 November 2024.

The register of members of the Company will be closed from Tuesday, 26 November 2024 to Friday, 29 November 2024 (both days inclusive), during which period no share transfer will be registered. The record date for determining shareholders of the Company entitled to receive the proposed dividend will be Friday, 29 November 2024. In order to qualify for the proposed dividend, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Hong Kong Branch Share Registrar at the address stated above, for registration not later than 4:00 p.m. on Monday, 25 November 2024.

## CHANGE OF COMPANY SECRETARY

The Board of the Directors of the Company announces that Mr. Cheung Kai Sun ("**Mr. Cheung**") has tendered his resignation as the company secretary of the Company (the "**Company Secretary**") with effect from 23 September 2024.

Mr. Cheung confirmed that he has no disagreement with the Board and there are no matters relating to his resignation which need to be brought to the attention of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") or the shareholders of the Company.

The Board is pleased to announce that Mr. Wong Yu Kit ("**Mr. Wong**") has been appointed as the Company Secretary in replacement of Mr. Cheung with effect from 23 September 2024.

The biographical details of Mr. Wong are set out as follows:

Mr. Wong is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

The Board would like to express its sincere gratitude to Mr. Cheung for his valuable contribution to the Company during his tenure of office and its welcome to Mr. Wong on his new position.

## DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

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

Specific enquiry has been made of all Directors and all Directors have confirmed that they had fully complied with the required standard set out in the Model Code for FY2024.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with 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 was noted by the Company during FY2024.

## **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 organization which is open and accountable to the shareholders of the Company. 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 optimize 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**”) contained 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 FY2024.

## **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, risk management over the 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 audit committee has reviewed and discussed the annual results of the Group for FY2024.

## **AUDITORS**

A resolution will be proposed at the forthcoming annual general meeting to re-appoint Ernst & Young as auditors of the Company to hold office until the conclusion of the next annual general meeting.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During FY2024, there was no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Company (www.sitoy.com) and the Stock Exchange (www.hkexnews.hk). The Company's annual report for FY2024 will be despatched to the shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 23 September 2024

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