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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)

PROFIT WARNING

This announcement is made by Sitoy Group Holdings Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the Group’s unaudited interim condensed consolidated financial statements for the six months ended 31 December 2020 and other information currently available to the Board, the Group is expected to record a loss attributable to the owners of the Company for the six months ended 31 December 2020 with a range from approximately HK\$80,000,000 to HK\$100,000,000, as compared to a profit attributable to owners of the Company of approximately HK\$45,984,000 for the corresponding period in 2019. It is mainly due to 1) the global COVID-19 outbreak since January 2020, and the recent surge in the number of COVID-19 cases reflects that the situation will remain volatile in the near future, which has dealt a strong blow to our manufacturing and retail businesses and 2) the fair value loss expected to be recorded in the property investment business due to the downward movement in the Hong Kong commercial property market.

The revenue from manufacturing business segment for the six months ended 31 December 2020 is expected to significantly decrease when compared to the segment revenue of approximately HK\$835,160,000 for the corresponding period in 2019. It is expected to record a segment loss before tax for the six months ended 31 December 2020 as compared to a segment profit before tax of approximately HK\$83,603,000 for the corresponding period in 2019. In early 2020, due to global COVID-19 outbreak, the customers, especially those from Europe and North America markets, were more cautious when placing the orders and the volume of each order was lower than before, or some even canceled and suspended the orders. In addition, during the six months ended 31 December 2020, the appreciation of Renminbi against Hong Kong dollars also contributed to the segment loss before tax in certain extent.

The revenue from retail business segment for the six months ended 31 December 2020 is expected to decrease when compared to the segment revenue of approximately HK\$305,798,000 for the corresponding period in 2019. The segment loss before tax for the six months ended 31 December 2020 is expected to increase as compared to the segment loss before tax of approximately HK\$14,651,000 for the corresponding period in 2019. It is mainly due to weaker consumer sentiment caused by the global COVID-19 outbreak, and the retail business has been heavily disrupted due to the quarantine and other travel restriction measures implemented by different countries or areas, such as, Europe, the PRC, Hong Kong, Macau, Taiwan, Japan and South Korea.

The revenue from property investment segment for the six months ended 31 December 2020 is expected to decrease when compared to the segment revenue of approximately HK\$7,963,000 for the corresponding period in 2019 due to certain temporarily rental concessions offered to different tenants. It is expected to record a segment loss before tax for the six months ended 31 December 2020 when compared to the segment profit before tax of approximately HK\$4,544,000 in the corresponding period in 2019. This is mainly due to the fair value loss with an expected range from approximately HK\$7,000,000 to HK\$8,000,000 on investment properties revaluation that is expected to be recorded for the six months ended 31 December 2020.

The Company is still in the process of finalising the interim condensed consolidated financial statements of the Group for the six months ended 31 December 2020. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available, which has not been reviewed or audited by the external auditors and the audit committee of the Company and may be subject to change, and the actual interim results of the Group for the six months ended 31 December 2020 may be different from what is disclosed herein. Shareholders and potential investors of the Company are advised to refer to the Group's interim results announcement for the six months ended 31 December 2020 to be published in due course.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 11 February 2021

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