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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)

POSITIVE PROFIT ALERT

This announcement is made by Sito 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 2021 and other information currently available to the Board, the Group is expected to turnaround from loss to profit and record a profit attributable to the owners of the Company for the six months ended 31 December 2021 with a range from approximately HK\$4,000,000 to HK\$10,000,000, as compared to a loss attributable to owners of the Company of approximately HK\$87,837,000 for the corresponding period in 2020. The turnaround is mainly due to 1) living with COVID-19 or zero COVID-19 strategies implemented by different countries or areas together with the growing global COVID-19 vaccine injection rate, which has stabilised the COVID-19 situation, especially in the PRC, during the six months ended 31 December 2021, benefiting both our manufacturing and retail businesses and 2) the stabilised Hong Kong commercial property market and lower fair value loss expected to be recorded in the property investment business.

The revenue from manufacturing business segment for the six months ended 31 December 2021 is expected to substantially increase when compared to the segment revenue of approximately HK\$471,264,000 for the corresponding period in 2020. It is expected to record a segment profit before tax for the six months ended 31 December 2021 as compared to a segment loss before tax of approximately HK\$44,227,000 for the corresponding period in 2020. Brand customers started to source their supplies directly from the PRC because of its stable supply chain and high quality production to support the growing business in the PRC market as COVID-19 pandemic remains relatively under control.

The revenue (including the revenue of a discontinued operation) from retail business segment for the six months ended 31 December 2021 is expected to increase significantly when compared to the segment revenue of approximately HK\$252,399,000 for the corresponding period in 2020, benefiting mainly from the live broadcast sales especially in the PRC market. The segment loss before tax (including the loss before tax of a discontinued operation and related impairment loss) for the six months ended 31 December 2021 is expected to decrease as compared to the segment loss before tax of approximately HK\$22,608,000 for the corresponding period in 2020. However, such decrease is not in line with the increase in revenue. It is mainly due to the one-off impairment loss expected to be recognised in respect of the assets held for sale from the disposal of Sityo AT Holdings Company Limited and its subsidiaries of approximately HK\$8,000,000 to HK\$10,000,000. Details of the disposal had been set out in the announcements of the Company dated 3 November 2021 and 5 November 2021.

The revenue from property investment segment for the six months ended 31 December 2021 is expected to increase slightly when compared to the segment revenue of approximately HK\$7,000,000 for the corresponding period in 2020 as no material rental concessions were offered to tenants in 2021. It is expected to record a segment profit before tax for the six months ended 31 December 2021 when compared to the segment loss before tax of approximately HK\$3,757,000 for the corresponding period in 2020. This is mainly due to lower fair value loss expected to be recorded during the six months ended 31 December 2021 while fair value loss of approximately HK\$7,400,000 on investment properties revaluation was 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 2021. 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 2021 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 2021 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, 14 February 2022

As at the date of this announcement, the executive directors of the Company are Mr. Yeung Michael Wah Keung, Mr. Yeung Wo Fai and Mr. Yeung Andrew Kin; 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 and Mr. Lung Hung Cheuk.