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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 Sityoy Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the Group’s unaudited consolidated financial statements for the year ended 30 June 2019, the profit attributable to owners of the Company for the year ended 30 June 2019 is expected to decrease significantly by approximately 45% to 55% as compared to the profit attributable to owners of the Company of approximately HK\$256,675,000 for the corresponding period in 2018.

The revenue from manufacturing business remained stable while segment profit before tax for the year ended 30 June 2019 is expected to decrease substantially when compared to the segment profit before tax of approximately HK\$198,819,000 for the corresponding period in 2018 as a result of 1) intense competition among the Asian regions and 2) the increasing production and operation costs in mainland China.

The retail business has shown significant growth for the year ended 30 June 2019 after the acquisition of A. Testoni S.p.A. and its subsidiaries in late 2018 (the “**Acquisition**”). The retail segment revenue for the year ended 30 June 2019 is expected to record a significant increase when compared to the retail segment revenue of approximately HK\$315,519,000 for the corresponding period in 2018 but segment profit before tax for the year ended 30 June 2019 is expected to decrease substantially as compared to the segment profit before tax of approximately HK\$22,144,000 for the corresponding period in 2018. The decrease in segment profit before tax is mainly due to 1) legal and professional fees incurred on a one-off basis in relation to the Acquisition and 2) costs for more management staff recruited to expand and manage the global retail business of the Group.

The revenue from property investment segment remained stable during the year ended 30 June 2019, while segment profit before tax is expected to decrease when compared to the segment profit before tax of approximately HK\$68,752,000 in the corresponding period in 2018. The decrease in segment profit before tax is mainly due to lower fair value gain on investment properties revaluation.

Although the profit attributable to owners of the Company for the year ended 30 June 2019 is expected to decrease, the Board wishes to inform the Shareholders that the dividend payout policy of the Company remains unchanged.

The Company is still in the process of finalising the consolidated financial statements of the Group for the year ended 30 June 2019. The information contained in this announcement is only based on a 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, the actual results of the Group for the year ended 30 June 2019 may be different from what is disclosed herein. Shareholders and potential investors of the Company are advised to refer to the details of the Group's final results announcement for the year ended 30 June 2019 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, 23 August 2019

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 Mr. 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.