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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 Sityo 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 condensed consolidated financial statements for the six months ended 31 December 2017 (the “**Period**”), the net profit for the Period is expected to record a considerable increase compared with the corresponding period in 2016 versus a decrease of 41.3% in net profit for the six months ended 31 December 2016 compared with the corresponding period in 2015 (the “**Turn-Around**”).

Based on the relevant information currently available, the Board considers that such Turn-Around is attributable to the following reasons:

- (a) the performance of the retail business has further improved. The retail segment revenue for the Period is expected to record a significant increase as compared to the retail segment revenue of approximately HK\$72,264,000 for the corresponding period in 2016 and is expected to record a segment profit before tax for the Period as opposed to a segment loss for the corresponding period in 2016. It is mainly due to 1) the Group’s efforts in enhancing its retail channel structure and store efficiency; 2) the Group’s strategies in enriching its retail brand portfolio; 3) the revenue contribution from its wholesale business; and 4) the implementation of cost control policies;

- (b) increase in sales orders of the Group's manufacturing business as an aggregated result of the Group's abilities to 1) source quality raw materials at competitive prices; 2) optimise and streamline production procedures to boost competitiveness; 3) maintain stable product qualities; and 4) satisfy brand customers' demands; and
- (c) the property investment segment is expected to record a segment profit as a result of the fair value gain on the investment properties during the Period.

The Company is still in the process of finalising the condensed consolidated financial statements of the Group for the six months ended 31 December 2017. 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. Shareholders and potential investors of the Company are advised to refer to the details of the Group's interim results announcement for the six months ended 31 December 2017 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, 1 February 2018

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.