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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 consolidated annual results for the year ended 30 June 2023 and other information currently available to the Board, the Group is expecting to record a profit attributable to the owners of the Company for the year ended 30 June 2023 of not less than HK\$200,000,000, representing a growth of not less than 79.2%, as compared to a profit attributable to owners of the Company of approximately HK\$111,629,000 for the corresponding period in 2022. The expected increase in net profit is mainly due to 1) an increase in the Group’s profit margin from manufacturing business due to the depreciation of Renminbi against United States Dollar and 2) the completion of the disposal of a loss-making business.

The revenue from manufacturing business segment for the year ended 30 June 2023 is expected to slightly decrease when compared to the segment revenue of approximately HK\$1,379,387,000 for the corresponding period in 2022. However, it is expected to record a significant growth in segment profit before tax for the year ended 30 June 2023 as compared to a segment profit before tax of approximately HK\$150,328,000 for the corresponding period in 2022. This is mainly because the depreciation of Renminbi against United States dollar had significantly improved the gross profit margin of the manufacturing business segment.

The revenue from retail business segment for the year ended 30 June 2023 is expected to slightly increase when compared to the segment revenue of approximately HK\$452,761,000 for the corresponding period in 2022. The segment profit before tax for the year ended 30 June 2023 is expected to decrease as compared to the segment profit before tax of approximately HK\$32,490,000 for the corresponding period in 2022 because more discounts were offered in order to boost the retail sales. During the year ended 30 June 2022, loss from discontinued operations of approximately HK\$38,859,000 was incurred. However, the disposal was completed in early January 2022 and therefore no such loss was recorded for the year ended 30 June 2023.

The revenue from property investment segment for the year ended 30 June 2023 is expected to decrease slightly when compared to the segment revenue of approximately HK\$13,727,000 for the corresponding period in 2022 due to the tight competition in the commercial properties market in Hong Kong. It is expected that the segment profit before tax for the year ended 30 June 2023 will decrease significantly when compared to the segment profit before tax of approximately HK\$6,881,000 for the corresponding period in 2022. This is mainly due to a fair value loss expected to be recorded during the year ended 30 June 2023.

The Company is still in the process of finalising the consolidated annual results of the Group for the year ended 30 June 2023. 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 results of the Group for the year ended 30 June 2023 may be different from what is disclosed herein. Shareholders and potential investors of the Company are advised to refer to the Group's consolidated annual results announcement for the year ended 30 June 2023 to be published in September 2023.

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 September 2023

As at the date of this announcement, the executive directors of the Company are Mr. Yeung Michael Wah Keung, Dr. 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.