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SITOIY GROUP HOLDINGS LIMITED

時代集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1023)

UPDATE ON 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).

Reference is made to the announcement of the Company dated 26 November 2024 (the “**Announcement**”). Capitalized terms used but not otherwise defined herein shall have the same meanings as those defined in the Announcement. Further to the information disclosed in the Announcement, the board of directors of the Company (the “**Board**”) hereby provides additional information in relation to the interim results of the Group for the six months ended 31 December 2024.

The Board wishes to inform the shareholders of the Company 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 2024 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 2024 with a range from approximately HK\$60,000,000 to HK\$75,000,000, as compared to a profit attributable to owners of the Company of approximately HK\$53,554,000 for the corresponding period in 2023. It is mainly due to 1) global inflationary pressures and geographical tensions which created uncertainty to the global economy, resulting in reduced demand for our manufacturing business, thereby impacting our revenue streams; and 2) a one-off significant loss arising from the termination of the Cole Haan Business.

The revenue from manufacturing business segment for the six months ended 31 December 2024 is expected to decrease when compared to the segment revenue of approximately HK\$555,788,000 for the corresponding period in 2023. It is expected that the segment profit before tax for the six months ended 31 December 2024 will decrease as compared to a segment profit before tax of approximately HK\$56,336,000 for the corresponding period in 2023. Due to global economic uncertainties and inventory gluts, customers were more cautious when placing their orders and had scaled down the order size.

The revenue from retail business segment for the six months ended 31 December 2024 is expected to increase when compared to the segment revenue of approximately HK\$251,432,000 for the corresponding period in 2023. This is mainly due to the efforts and resources allocated to the e-commerce platforms. However, it is expected to record a segment loss before tax when compared to the profit before tax of approximately HK\$13,140,000 for the corresponding period in 2023 due to the one-off significant loss in the range of HK\$80,000,000 to HK\$90,000,000 arising from the termination of the Cole Haan Business, attributed from the loss incurred to write off certain Cole Haan inventories and Cole Haan shops capital expenditure, compensation to terminate related staff's employment and the final payment to Cole Haan.

The revenue from property investment segment for the six months ended 31 December 2024 is expected to be stable when compared to the segment revenue of approximately HK\$6,613,000 for the corresponding period in 2023. It is expected to record a segment loss before tax for the six months ended 31 December 2024 when compared to the segment profit before tax of approximately HK\$2,946,000 in the corresponding period in 2023. This is mainly due to the fair value loss on investment properties revaluation that is expected to be recorded for the six months ended 31 December 2024.

Although the Company is expected to record a loss attributable to the owners of the Company for the six months ended 31 December 2024, the Board wishes to inform the shareholders of the Company that the dividend payout policy of the Company remains unchanged.

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 2024. 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 2024 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 2024 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, 7 February 2025

As at the date of this announcement, the executive directors of the Company are Mr. Yeung Michael Wah Keung, Dr. Yeung Wo Fai, Mr. Yeung Andrew Kin and Mr. Chan Tung Chit; and the independent non-executive directors of the Company are Mr. Yeung Chi Tat, Mr. Kwan Po Chuen, Vincent and Ms. Lee Pao Yue.