

# Sling Group Holdings Limited

## 森浩集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8285)

### THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

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*This announcement, for which the directors (the “**Directors**”) of Sling Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

### THIRD QUARTERLY RESULTS

The Board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the nine months ended 30 September 2023, together with the comparative figures for the corresponding period in 2022 as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

*For the three months and nine months ended 30 September 2023*

		Three months ended 30 September		Nine months ended 30 September	
		2023	2022	2023	2022
	Notes	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	3	37,803	32,035	99,485	72,641
Cost of sales		<u>(19,784)</u>	<u>(14,867)</u>	<u>(49,176)</u>	<u>(32,690)</u>
<b>Gross profit</b>		<b>18,019</b>	17,168	<b>50,309</b>	39,951
Other revenue and income		3,081	646	4,240	1,631
Government grants		—	507	598	527
Reversal of/(Impairment losses on) trade and other receivables, net		—	—	405	(1,440)
Selling and distribution costs		(17,081)	(15,855)	(47,161)	(39,772)
Administrative and other operating expenses		(2,785)	(3,721)	(9,988)	(11,796)
Finance costs		<u>(296)</u>	<u>(173)</u>	<u>(762)</u>	<u>(413)</u>
<b>Profit/(Loss) before income tax</b>	6	<b>938</b>	(1,428)	<b>(2,359)</b>	(11,312)
Income tax expense	5	—	—	—	—
<b>Profit/(Loss) for the period</b>		<b><u>938</u></b>	<b><u>(1,428)</u></b>	<b><u>(2,359)</u></b>	<b><u>(11,312)</u></b>
<b>Other comprehensive (expenses)/ income</b>					
<i>Item that may be reclassified subsequently to the profit or loss:</i>					
Exchange differences on translation of financial statements of foreign operations		<u>(20)</u>	<u>666</u>	<u>197</u>	<u>1,294</u>
<b>Total comprehensive income/(loss) for the period</b>		<b><u>918</u></b>	<b><u>(762)</u></b>	<b><u>(2,162)</u></b>	<b><u>(10,018)</u></b>

	Three months ended 30 September 2023		Nine months ended 30 September 2023	
	2022	2022	2022	2022
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Profit/(Loss) for the period attributable to:</b>				
Equity holders of the Company	411	(1,569)	(3,006)	(10,648)
Non-controlling interests	527	141	647	(664)
	<u>938</u>	<u>(1,428)</u>	<u>(2,359)</u>	<u>(11,312)</u>
<b>Total comprehensive income/(loss) for the period attributable to:</b>				
Equity holders of the Company	391	(903)	(2,809)	(9,354)
Non-controlling interests	527	141	647	(664)
	<u>918</u>	<u>(762)</u>	<u>(2,162)</u>	<u>(10,018)</u>
	<i>RMB cents</i>	<i>RMB cents</i>	<i>RMB cents</i>	<i>RMB cents</i>
<b>Earning/(Loss) per share attributable to equity holders of the Company</b>				
Basic and diluted	8	0.07	(0.28)	(0.54)
		<u>0.07</u>	<u>(0.28)</u>	<u>(0.54)</u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 30 September 2023

	Attributable to equity holders of the Company									
	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Put option reserve <i>RMB'000</i>	Translation reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Sub-total <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total equity <i>RMB'000</i>
As at 1 January 2022 (Audited)	4,470	35,026	10,520	1,195	(3,658)	622	(28,879)	19,296	(1,223)	18,073
Loss for the period	—	—	—	—	—	—	(10,648)	(10,648)	(664)	(11,312)
<i>Other comprehensive income:</i>										
Exchange differences on translation of financial statements of foreign Operations	—	—	—	—	—	1,294	—	1,294	—	1,294
Total comprehensive loss for the period	—	—	—	—	—	1,294	(10,648)	(9,354)	(664)	(10,018)
As at 30 September 2022 (Unaudited)	<u>4,470</u>	<u>35,026</u>	<u>10,520</u>	<u>1,195</u>	<u>(3,658)</u>	<u>1,916</u>	<u>(39,527)</u>	<u>9,942</u>	<u>(1,887)</u>	<u>8,055</u>
As at 1 January 2023 (Audited)	<b>4,470</b>	<b>35,026</b>	<b>10,520</b>	<b>1,195</b>	<b>(3,658)</b>	<b>2,097</b>	<b>(45,175)</b>	<b>4,475</b>	<b>(2,060)</b>	<b>2,415</b>
Loss for the period	—	—	—	—	—	—	(3,006)	(3,006)	647	(2,359)
<i>Other comprehensive income:</i>										
Exchange differences on translation of financial statements of foreign Operations	—	—	—	—	—	197	—	197	—	197
Total comprehensive loss for the period	—	—	—	—	—	197	(3,006)	(2,809)	647	(2,162)
As at 30 September 2023 (Unaudited)	<u>4,470</u>	<u>35,026</u>	<u>10,520</u>	<u>1,195</u>	<u>(3,658)</u>	<u>2,294</u>	<u>(48,181)</u>	<u>1,666</u>	<u>(1,413)</u>	<u>253</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months and nine months ended 30 September 2023*

## 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 6 January 2017. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Unit 1, 21st Floor, Yen Sheng Centre, 64 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company and the Group are principally engaged in the design and sale of women's handbags, small leather goods, luggage and travel goods.

The Company's immediate and ultimate holding company is Yen Sheng Investment Limited ("**Yen Sheng BVI**"), a company incorporated in the British Virgin Islands and controlled by Mr. Yau Tai Leung Sammy ("**Mr. Sammy Yau**"), Mr. Yau Sonny Tai Nin ("**Mr. Sonny Yau**"), Mr. Yau Frederick Heng Chung ("**Mr. Fred Yau**"), Mr. Yau Nicholas Heng Wah ("**Mr. Nicholas Yau**") and Ms. Hiang Siu Wei Cecilia ("**Ms. Cecilia Hiang**").

The Company's shares are listed on GEM of the Stock Exchange on 16 January 2018.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months and nine months ended 30 September 2023 have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for financial asset at fair value through profit or loss ("**FVTPL**") which is stated at fair value.

The unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2022. The accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 December 2022, except for the adoption of the following new and amended HKFRSs which are effective as of 1 January 2023.

### **New and Amended HKFRSs that are effective for annual period beginning on 1 January 2023**

HKFRS 17	Insurance Contracts with related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

Except for those mentioned below, the adoption of these new and amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

#### **Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”**

The amendments clarify that the initial recognition exemption of deferred tax in HKAS 12 “Income Taxes” does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as lease contracts that give rise to the recognition of a lease liability and the corresponding right-of-use assets and contracts that give rise to the recognition of decommissioning obligations and corresponding amounts recognised as assets. Instead, entities are required to recognise the related deferred tax asset and liability on initial recognition, with the recognition of any deferred tax asset being subject to the recoverability criteria in HKAS 12 “Income Taxes”.

The Group adopted the amendments from 1 January 2023 and are required to recognise the associated deferred tax assets and liabilities from leases that occurred on or after 1 January 2022 from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained profits at that date.

The amendments had no impact on the condensed consolidated financial statements of the Group.

#### **Issued but not yet effective HKFRSs**

As at the date of authorisation of the unaudited condensed consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group. The Directors anticipate the adoption of these new and amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

#### **Going concern basis**

During the nine months ended 30 September 2023, the Group recorded a net loss of RMB2,359,000. The Group’s operations are financed by bank borrowings, loans from related parties and internal resources. As at 30 September 2023, the Group had net current liabilities of RMB2,415,000. The Group’s cash and bank balances amounting to RMB6,837,000 as at 30 September 2023.

The Company has reviewed the current performance and cash flows forecast. The Company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Accordingly the unaudited condensed consolidated financial statements have been prepared on a going concern basis.

The preparation of the unaudited condensed consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the accounting policies of the Group. The accounting estimates and assumptions used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 December 2022.

The unaudited condensed consolidated financial statements have not been audited by the Company’s auditor, but have been reviewed by the Company’s audit committee.

### 3. REVENUE

Revenue represents the fair value of consideration received and receivable from sale of women's handbags, small leather goods, luggage and travel goods by the Group to external customers.

#### Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time through different channels were analysed as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Online retail sales	35,639	29,000	90,546	66,982
Wholesale to online retailers	1,792	2,702	8,164	5,028
Wholesale to offline retailers	51	75	102	331
Offline retail sales	321	258	673	300
	<u>37,803</u>	<u>32,035</u>	<u>99,485</u>	<u>72,641</u>

### 4. SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing primarily on the wholesale and retail of women's handbags, small leather goods, luggage and travel goods. This operating segment has been identified on the basis of internal management reports reviewed by the chief operating decision maker (the "CODM"), being the executive directors of the Company. The CODM mainly reviews revenue derived from the wholesale and retail of women's handbags, small leather goods, luggage and travel goods. The CODM reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly other than the entity-wide disclosure, no segment analysis is presented.

#### Geographical information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment (including right-of-use assets) and intangible assets ("specified non-current assets"). The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment (including right-of-use assets), and the location of the operations to which they are allocated, in the case of intangible assets.

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue from external customers</b>				
The People's Republic of China				
(the "PRC") (excluding Hong Kong)	<u>37,803</u>	<u>32,035</u>	<u>99,485</u>	<u>72,641</u>
			As at	As at
			30 September	31 December
			2023	2022
			<i>RMB'000</i>	<i>RMB'000</i>
			(Unaudited)	(Audited)
<b>Specified non-current assets</b>				
The PRC (excluding Hong Kong)			3,365	3,206
Hong Kong			<u>4</u>	<u>—</u>
			<u>3,369</u>	<u>3,206</u>

#### Information about major customers

During the nine months ended 30 September 2023, none of the Group's customers contributed more than 10% of the Group's revenue (2022: Nil).

#### 5. INCOME TAX EXPENSE

For the nine months ended 30 September 2023 and 2022, Hong Kong Profits Tax and PRC Enterprises Income Tax (the "PRC EIT") have not been provided in the unaudited condensed consolidated financial statements as no assessable profits subject to Hong Kong Profits Tax and the PRC EIT.

The PRC EIT in respect of the Group's operations in the PRC has been calculated at the rate of 25% (2022: 25%) on the estimated assessable profit for the period arising from the PRC.

## 6. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(Loss) before income tax is arrived at after charging/(crediting):

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of inventories recognised as an expense	19,632	14,724	48,762	32,311
(Reversal)/Write-down of inventories to net realisable value	(2,202)	(761)	(2,452)	57
Fair value gain on financial assets at FVTPL	(133)	(119)	(133)	(119)
Gain on early termination for lease	—	—	—	(11)
Amortisation of intangible assets	25	52	100	155
Depreciation of property, plant and equipment				
— Owned assets	8	76	237	262
— Right-of-use assets	163	108	480	352
Total depreciation	171	184	717	614
Staff costs (including directors' emoluments)				
— Salaries, allowances and other benefits	1,897	2,042	5,989	6,379
— Contributions to retirement benefit schemes ( <i>note</i> )	358	347	1,027	991
Total staff costs	2,255	2,389	7,016	7,370
Operating lease charges premises:				
— Short-term leases	104	390	502	1,394
— COVID-19-related rent concessions	—	(15)	—	(53)
Total lease charges	104	375	502	1,341
Exchange (gains)/losses, net	(97)	1,658	783	3,029

*Note:* During the nine months ended 30 September 2023 and 2022, there are no forfeited contribution be used to reduce the level of employer's contributions. As at 30 September 2023 and 31 December 2022, there are no forfeited contribution available to reduce the contributions payable in the future years.

## 7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2023 (2022: Nil).

## 8. EARNING/(LOSS) PER SHARE

The calculation of basic loss per share attributable to equity holders of the Company is based on the following:

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Profit/(Loss)</b>				
Profit/(Loss) for the period attributable to equity holders of the Company (in RMB'000)	<u>411</u>	<u>(1,569)</u>	<u>(3,006)</u>	<u>(10,648)</u>
<b>Number of shares</b>				
Weighted average number of ordinary shares	<u>560,000,000</u>	<u>560,000,000</u>	<u>560,000,000</u>	<u>560,000,000</u>

The weighted average number of ordinary shares used to calculate the basic loss per share of the nine months ended 30 September 2023 and 2022 represents 560,000,000 ordinary shares in issue throughout the periods.

There were no dilutive potential ordinary shares during the nine months ended 30 September 2023 and 2022 and therefore, diluted loss per share equals to basic loss per share.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the nine months ended 30 September 2023, the Group recorded a revenue of approximately RMB99.5 million, which represents an increase of approximately 37.1% as compared to the same period of 2022. Like the first half of 2023, the reason for the increase was mainly attributable to the strong rebound of revenue in the sales of luggage and travel accessories after the reopening of China since January of 2023. The quarterly revenue rise by approximately 32.5%, 72.5% and 18.0% respectively among the first three quarters compared to the corresponding periods last year.

As China lifted up travel measures, the long-awaited travellers has resumed their travelling starting within the country and then to overseas. The Group witnessed the first wave of sale jump in luggage and travel accessories. The revenue rose by RMB22.9 million from RMB14.8 million to RMB37.7 million during the first three quarters of 2023. The sale volume and profitability are greatly improved. This business segment returned to profitability on each month during the third quarter.

For women's handbag, the Group has resumed our marketing activities. The recovery was rather stable as the consumers in China have been cautious in spending. The uncertainty arising from the property market and the tension of Sino-US relationship on export led to more conservative attitude in consumption. Compared to the high revenue growth of 155.7% in luggage and travel accessories, women's handbag increased only by RMB4.0 million, or 6.9%.

The Group's revenue is principally derived from online retail sales representing 91.0% sales. Together with wholesales to online retailers, they account for 99.2% sales in total. The revenue from online retail sales and wholesales to online retailers rose by 35.2% and 62.4% respectively during the first nine months of 2023.

In terms of revenue among the brands of ELLE and Jessie & Jane, the distribution mix is approximately 98.3% and 1.7% respectively in the first nine months of 2023, compared to 93.6% and 6.4% in the same period of 2022. While the revenue of Jessie & Jane decreased by 64.2%, the revenue of ELLE rose by 43.8%.

## **FUTURE PROSPECTS**

The business of distributing luggage & travel accessories is positive. The demands for the products have been strong as we expected. Increasingly more tourists are planning for their travelling and are willing to spend on travel related expenses. We anticipate this trend will continue for a few years.

Local consumption on non-essentials has been soft given market uncertainty in certain business sectors. The sale increase in distributing women's handbag has been modest so far despite our marketing effort in driving online platforms. Still, the Group will utilize the feedbacks from customers and key opinion leaders to fine tune our marketing and promotion activities, and control marketing costs at the same time.

In view of the Chinese government increasing incentive measures put forward to boost confident and stimulate the economy, the accumulated positive effects shall soon kick in. The management is cautiously optimistic on the businesses in the fourth quarter of 2023 and 2024.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue rised by approximately RMB26.9 million, or 37.1%, from approximately RMB72.6 million for the nine months ended 30 September 2022 to approximately RMB99.5 million for the nine months ended 30 September 2023. For the third quarter, the Group's revenue rose by approximately RMB5.8 million, or 18.1%, from approximately RMB32.0 million for the three months ended 30 September 2022 to approximately RMB37.8 million for the same period in 2023.

### **Gross Profit and Gross Profit Margin**

The Group's gross profit increased by approximately RMB10.3 million, or 25.8%, from approximately RMB40.0 million for the nine months ended 30 September 2022 to approximately RMB50.3 million for the nine months ended 30 September 2023. The increase was largely attributable to higher revenue by 37.1%, but slightly reduced gross profit margin by 4.4% in the period. The clearance sales during the period somewhat impacted on gross profit margin.

Our gross profit margin for the nine months ended 30 September 2023 and 2022 were approximately 50.6% and 55.0% respectively.

## **Selling and Distribution Costs**

The Group's selling and distribution costs rose by approximately RMB7.4 million, or 18.6%, from approximately RMB39.8 million for the nine months ended 30 September 2022 to approximately RMB47.2 million for the nine months ended 30 September 2023. The increase was mainly attributable to higher (i) online shop expenses, (ii) transportation, (iii) commission, and (iv) royalty. The advertising expense was kept at similar level as last year.

## **Administrative and Other Operating Expenses**

The Group's administrative and other operating expenses decreased by approximately RMB1.8 million, or 15.3%, from approximately RMB11.8 million for the nine months ended 30 September 2022 to approximately RMB10.0 million for the nine months ended 30 September 2023. The drop was mainly attributable to reduced foreign exchange loss by RMB2.2 million and reversal has been provided on trade receivables and stock.

## **Income Tax Expense**

The Group's income tax expense for the nine months ended 30 September 2023 recorded to nil as it continued to incur operating loss.

## **Loss for the Period**

The Group's loss reduced by approximately RMB8.9 million, or 78.8% from approximately RMB11.3 million for the nine months ended 30 September 2022 to approximately RMB2.4 million for the nine months ended 30 September 2023. The increased revenue and lessor increase in selling expenses are mainly attributable to the much lower operating loss.

## **CONTINGENT LIABILITIES**

As at 30 September 2023, the Group did not have any significant contingent liabilities.

## **SIGNIFICANT INVESTMENTS**

As at 30 September 2023, the Group did not hold any significant investments.

## **INDEBTEDNESS AND CHARGES ON GROUP'S ASSETS**

As at 30 September 2023, the Group did not have any assets pledged to secure general banking facilities.

## **FOREIGN CURRENCY EXPOSURE**

The Group's businesses are solely operated in China. The sales and purchases are mainly denominated in RMB and customers rarely request to settle our billing by other foreign currencies such as United States dollar or HK\$.

The Directors are of the view that the Group's operations are not subject to significant foreign exchange rate risk. Therefore, no hedging arrangements are made. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

## **HUMAN RESOURCES**

As at 30 September 2023, the Group had 53 employees (30 September 2022: 55) in Hong Kong and the PRC. We believe that hiring, motivating and retaining qualified employees are crucial to our success as an online and offline distributor. Total staff costs (including Directors' emoluments) were RMB7.0 million for the nine months ended 30 September 2023 (nine months ended 30 September 2022: RMB7.4 million). The remuneration policies of the Group are formulated based on the Group's operating results, employees' individual performance, working experience, respective responsibilities, merit, qualifications and competence, as well as comparable to the prevailing market practice, standards and statistics. The remuneration policies of the Group are reviewed by the management of the Group regularly.

## **EVENTS AFTER THE REPORTING DATE**

As from 30 September 2023 to the date of this announcement, save as disclosed in this announcement, the Board is not aware of any significant events requiring disclosure that have occurred.

## **DIVIDENDS**

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2023 (2022: Nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY**

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2023.

## **CORPORATE GOVERNANCE**

The Group is committed to ensuring high standards of corporate governance and business practices. The Company's corporate governance practices are based on the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules. During the nine months ended 30 September 2023, the Company has complied with the applicable code provisions of the CG Code.

## **DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS**

None of the Directors and controlling shareholders of the Company or any of their respective close associates as defined in the GEM Listing Rules has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or had any other conflict of interests with the Group during the nine months ended 30 September 2023.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct (the "Code of Conduct") regarding securities transactions by the Directors. The Company has confirmed, having made specific enquiry of the Directors that all the Directors have complied with the Code of Conduct for the nine months ended 30 September 2023 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The Company had established the Audit Committee on 15 December 2017 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Company, make recommendations to the Board on the appointment, reappointment and removal of the independent auditor, and review the Company's financial information.

The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Won Chik Kee (chairman of the Audit Committee), Mr. Feng Dai and Ms. Sit Ting Fong. It has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing and financial reporting matters, including review of the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2023.

By order of the Board  
**Sling Group Holdings Limited**  
**Yau Frederick Heng Chung**  
*Chairman*

Hong Kong, 13 November 2023

*As at the date of this announcement, the executive Directors are Mr. Yau Frederick Heng Chung (Chairman) and Mr. Lee Tat Fai Brian; the non-executive Directors are Mr. Yau Sonny Tai Nin and Mr. Yau Tai Leung Sammy; and the independent non-executive Directors are Mr. Won Chik Kee, Mr. Feng Dai and Ms. Sit Ting Fong.*