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TSIT WING INTERNATIONAL HOLDINGS LIMITED

捷榮國際控股有限公司*

(Incorporated under the laws of Bermuda with limited liability)

(Stock Code: 2119)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2022 amounted to HK\$329.0 million, representing a decrease of 8.9% from HK\$361.3 million for the corresponding period in 2021.
- Gross profit for the six months ended 30 June 2022 amounted to HK\$112.7 million, representing a decrease of 22.8% from HK\$145.9 million for the corresponding period in 2021.
- Gross profit margin decreased from 40.4% for the six months ended 30 June 2021 to 34.3% for the six months ended 30 June 2022.
- Profit for the six months ended 30 June 2022 amounted to HK\$21.0 million, representing a decrease of 45.2% from HK\$38.3 million for the corresponding period in 2021.
- Net profit margin decreased from 10.6% for the six months ended 30 June 2021 to 6.4% for the six months ended 30 June 2022.

* *for identification purposes only*

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Tsit Wing International Holdings Limited (the “**Company**”) presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2022, together with the comparative figures for the corresponding period in 2021 as set out below.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

		Six months ended 30 June	
		2022	2021
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
REVENUE	4	328,983	361,288
Cost of sales		<u>(216,331)</u>	<u>(215,409)</u>
Gross profit		112,652	145,879
Other income and gains, net	4	4,508	1,240
Selling and distribution expenses		(45,947)	(56,796)
Administrative expenses		(41,848)	(39,273)
Other expenses, net		(2,775)	(2,195)
Finance costs	5	<u>(402)</u>	<u>(382)</u>
PROFIT BEFORE TAX	6	26,188	48,473
Income tax expense	7	<u>(5,161)</u>	<u>(10,167)</u>
PROFIT FOR THE PERIOD		<u>21,027</u>	<u>38,306</u>
Attributable to:			
Owners of the parent		<u>21,027</u>	<u>38,306</u>
		<i>HK cents</i>	<i>HK cents</i>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic		2.92	5.32
Diluted		<u>2.92</u>	<u>5.32</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	<u>21,027</u>	<u>38,306</u>
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>(11,735)</u>	<u>2,034</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>9,292</u></u>	<u><u>40,340</u></u>
Attributable to:		
Owners of the parent	<u><u>9,292</u></u>	<u><u>40,340</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		As at 30 June 2022 (Unaudited) <i>HK\$'000</i>	As at 31 December 2021 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	10	196,327	168,951
Intangible assets		153	220
Deposits paid for purchases of items of property, plant and equipment		13,007	9,383
Prepayments, deposits and other receivables		1,508	1,530
Deferred tax assets		1,619	2,194
		<hr/>	<hr/>
Total non-current assets		212,614	182,278
CURRENT ASSETS			
Inventories	11	153,145	166,606
Trade receivables	12	100,103	124,791
Prepayments, deposits and other receivables		21,485	16,657
Derivative financial instruments		681	—
Cash and cash equivalents		232,726	272,114
		<hr/>	<hr/>
Total current assets		508,140	580,168
CURRENT LIABILITIES			
Trade payables	13	65,925	89,940
Accruals and other payables		36,673	44,254
Derivative financial instruments		—	443
Interest-bearing bank borrowings	14	12,261	3,174
Lease liabilities		11,231	12,593
Tax payable		6,559	2,303
		<hr/>	<hr/>
Total current liabilities		132,649	152,707
NET CURRENT ASSETS		<hr/> 375,491	<hr/> 427,461
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 588,105	<hr/> 609,739

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 June 2022

		As at 30 June 2022 (Unaudited) <i>HK\$'000</i>	As at 31 December 2021 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
NON-CURRENT LIABILITIES			
Lease liabilities		8,492	13,338
Deferred tax liabilities		7,027	7,881
		<hr/>	<hr/>
Total non-current liabilities		15,519	21,219
		<hr/>	<hr/>
Net assets		572,586	588,520
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Issued capital	15	72,073	72,073
Reserves		500,513	516,447
		<hr/>	<hr/>
Total equity		572,586	588,520
		<hr/> <hr/>	<hr/> <hr/>

1. CORPORATE AND GROUP INFORMATION

Tsit Wing International Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business of the Company is located at Flats F-J, 11th Floor, Block 1, Kwai Tak Industrial Centre, 15–33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. During the period, the Company’s subsidiaries were engaged in the following principal activities:

- processing and distribution of coffee, tea and related complementary products
- processing and distribution of frozen food
- sale and rental of coffee and tea machines

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2022 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2021. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial statements.

Amendments to HKFRS 3
Amendments to HKAS 16

Reference to the Conceptual Framework
Property, Plant and Equipment: Proceeds before Intended Use

Amendments to HKAS 37
Annual Improvements to HKFRSs
2018–2020

Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- *HKFRS 9 Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
- *HKFRS 16 Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the beverage solutions (“**Beverage Solutions**”) segment processes and distributes coffee, tea and related complementary products, sells food and beverages, coffee machines and other related products, and leases coffee and tea machines; and
- (b) the food products (“**Food Products**”) segment trades frozen food.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, head office and corporate expenses as well as non-lease-related finance costs are excluded from such measurement.

Segment assets exclude cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Beverage Solutions HK\$'000	Food Products HK\$'000	Total HK\$'000
Six months ended 30 June 2022 (unaudited)			
Segment revenue (Note 4)			
Sales to external customers	<u>321,680</u>	<u>7,303</u>	<u>328,983</u>
Segment results	32,346	(847)	31,499
<i>Reconciliation:</i>			
Interest income			1,016
Corporate and unallocated expenses, net			(6,246)
Finance costs (other than interest on lease liabilities)			<u>(81)</u>
Profit before tax			<u>26,188</u>
Other segment information:			
Depreciation and amortisation	20,226	564	20,790
Reversal of impairment of trade receivables	(11)	—	(11)
Impairment of trade receivables	1,160	109	1,269
Write-off of trade receivables	74	—	74
Write-down of inventories to net realisable value	805	26	831
Write-off of inventories	429	15	444
Loss on disposal of items of property, plant and equipment	168	—	168
Capital expenditure*	<u>55,487</u>	<u>—</u>	<u>55,487</u>
* The capital expenditure includes purchases of property, plant and equipment of HK\$51,394,000 and deposits for purchases of property, plant and equipment of HK\$4,093,000.			
As at 30 June 2022 (unaudited)			
Segment assets	491,461	16,746	508,207
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(24,004)
Corporate and unallocated assets			<u>236,551</u>
Total assets			<u>720,754</u>
Segment liabilities	140,569	26,266	166,835
<i>Reconciliation:</i>			
Elimination of intersegment payables			(24,004)
Corporate and unallocated liabilities			<u>5,337</u>
Total liabilities			<u>148,168</u>

	Beverage Solutions <i>HK\$'000</i>	Food Products <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2021 (unaudited)			
Segment revenue (Note 4)			
Sales to external customers	352,894	8,394	361,288
Segment results	55,738	(730)	55,008
<i>Reconciliation:</i>			
Interest income			843
Corporate and unallocated expenses, net			(7,304)
Finance costs (other than interest on lease liabilities)			(74)
Profit before tax			48,473
Other segment information:			
Depreciation and amortisation	19,113	107	19,220
Reversal of impairment of trade receivables	(567)	(131)	(698)
Impairment of trade receivables	86	47	133
Write-off of trade receivables	443	—	443
Write-down of inventories to net realisable value	840	74	914
Write-off of inventories	483	90	573
Gain on disposal of items of property, plant and equipment	(6)	—	(6)
Capital expenditure*	10,464	7,454	17,918
* The capital expenditure includes purchases of property, plant and equipment of HK\$13,515,000 and deposits for purchases of property, plant and equipment of HK\$4,403,000.			
As at 31 December 2021 (audited)			
Segment assets	484,819	19,851	504,670
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(18,287)
Corporate and unallocated assets			276,063
Total assets			762,446
Segment liabilities	166,073	20,736	186,809
<i>Reconciliation:</i>			
Elimination of intersegment payables			(18,287)
Corporate and unallocated liabilities			5,404
Total liabilities			173,926

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Hong Kong	209,945	222,204
Mainland China	112,829	135,164
Others	6,209	3,920
	<u>328,983</u>	<u>361,288</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	As at 30 June 2022 (Unaudited) HK\$'000	As at 31 December 2021 (Audited) HK\$'000
	Hong Kong	119,810
Mainland China	89,677	94,556
	<u>209,487</u>	<u>178,554</u>

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial assets.

4. REVENUE AND OTHER INCOME AND GAINS, NET

Revenue

An analysis of disaggregation of the Group's revenue from contracts with customers is as follows:

	Beverage Solutions <i>HK\$'000</i>	Food Products <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2022 (unaudited)			
Type of goods or services			
Sale of coffee, tea and other related complementary products	309,977	—	309,977
Sale of frozen food	—	7,303	7,303
Rental income from leasing of coffee and tea machines	11,703	—	11,703
	<u>321,680</u>	<u>7,303</u>	<u>328,983</u>
Total revenue from contracts with customers	<u>321,680</u>	<u>7,303</u>	<u>328,983</u>
Geographical markets			
Hong Kong	202,959	6,986	209,945
Mainland China	112,512	317	112,829
Others	6,209	—	6,209
	<u>321,680</u>	<u>7,303</u>	<u>328,983</u>
Total revenue from contracts with customers	<u>321,680</u>	<u>7,303</u>	<u>328,983</u>
Timing of revenue recognition			
Goods transferred at a point in time	309,977	7,303	317,280
Services transferred over time	11,703	—	11,703
	<u>321,680</u>	<u>7,303</u>	<u>328,983</u>
Total revenue from contracts with customers	<u>321,680</u>	<u>7,303</u>	<u>328,983</u>

	Beverage Solutions <i>HK\$'000</i>	Food Products <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2021 (unaudited)			
Type of goods or services			
Sale of coffee, tea and other related complementary products	343,592	—	343,592
Sale of frozen food	—	8,394	8,394
Rental income from leasing of coffee and tea machines	9,302	—	9,302
Total revenue from contracts with customers	<u>352,894</u>	<u>8,394</u>	<u>361,288</u>
Geographical markets			
Hong Kong	214,188	8,016	222,204
Mainland China	134,786	378	135,164
Others	3,920	—	3,920
Total revenue from contracts with customers	<u>352,894</u>	<u>8,394</u>	<u>361,288</u>
Timing of revenue recognition			
Goods transferred at a point in time	343,592	8,394	351,986
Services transferred over time	9,302	—	9,302
Total revenue from contracts with customers	<u>352,894</u>	<u>8,394</u>	<u>361,288</u>
Other income and gains, net			

An analysis of other income and gains, net is as follows:

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	1,016	843
Government subsidies*	1,576	107
Foreign exchange differences, net	798	—
Gain on change in fair value of derivative financial instruments, net	883	—
Gain on disposal of items of property, plant and equipment	—	6
Others	235	284
	<u>4,508</u>	<u>1,240</u>

* Government subsidies represent subsidies granted under the Employment Support Scheme of the Government of the Hong Kong Special Administrative Region. There are no unfulfilled conditions or contingencies relating to these subsidies.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Interest on bank borrowings	81	74
Interest on lease liabilities	321	308
	<u>402</u>	<u>382</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Cost of inventories sold [^]	196,141	197,592
Depreciation [^] :		
Right-of-use assets	7,332	6,588
Other items of property, plant and equipment	13,399	12,573
	<u>20,731</u>	<u>19,161</u>
Amortisation of intangible assets	59	59
Lease payments not included in the measurement of lease liabilities	215	268
Foreign exchange differences, net*	(798)	510
Reversal of impairment of trade receivables*	(11)	(698)
Impairment of trade receivables*	1,269	133
Write-off of trade receivables*	74	443
Employee benefit expenses [^] :		
Salaries, wages, allowances and bonuses	54,107	59,130
Pension scheme contributions (defined contribution schemes)	3,238	2,864
	<u>57,345</u>	<u>61,994</u>
Write-down of inventories to net realisable value*	831	914
Write-off of inventories*	444	573
Loss/(gain) on disposal of items of property, plant and equipment*	168	(6)
(Gain)/loss on change in fair value of derivative financial instruments, net*	(883)	320
	<u>(883)</u>	<u>320</u>

* These amounts are included in "Other income and gains, net" or "Other expenses, net" on the face of the condensed consolidated statement of profit or loss.

^ The cost of sales for the six months ended 30 June 2022 amounted to HK\$216,331,000 (six months ended 30 June 2021: HK\$215,409,000) and included cost of inventories sold of HK\$196,141,000 (six months ended 30 June 2021: HK\$197,592,000), depreciation charge of HK\$8,436,000 (six months ended 30 June 2021: HK\$7,997,000) and employee benefit expenses of HK\$6,951,000 (six months ended 30 June 2021: HK\$6,135,000).

7. INCOME TAX

Pursuant to the rules and regulations of Bermuda, the Group is not subject to any income tax in Bermuda.

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (six months ended 30 June 2021: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2021: 16.5%). Taxes on profits assessable in Mainland China have been calculated at the rate of 25% (six months ended 30 June 2021: 25%).

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current — Hong Kong		
Charge for the period	2,857	4,768
Current — Mainland China		
Charge for the period	2,510	4,175
(Overprovision)/underprovision in prior periods	(22)	28
Deferred	(184)	1,196
	<u>5,161</u>	<u>10,167</u>
Total tax charge for the period	5,161	10,167

8. DIVIDENDS

The dividend recognised and declared by the Company during the reporting period is as follows:

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Dividend recognised as distribution during the reporting period:		
2020 final dividend — HK4.00 cents per ordinary share	—	28,829
2021 final dividend — HK3.50 cents per ordinary share	25,226	—
	<u>25,226</u>	<u>28,829</u>
Dividend declared after the end of the reporting period:		
Interim dividend — HK1.76 cents (six months ended 30 June 2021: HK3.19 cents) per ordinary share	12,685	22,991
	<u>12,685</u>	<u>22,991</u>

The interim dividend for the six months ended 30 June 2022 has been calculated by reference to 720,731,512 shares in issue at 18 August 2022.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the unaudited consolidated profit for the six months ended 30 June 2022 attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 720,731,512 (six months ended 30 June 2021: 720,609,147) in issue during the period.

The calculation of the diluted earnings per share amount is based on the unaudited consolidated profit for the period attributable to ordinary equity holders of the parent and (i) the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u>21,027</u>	<u>38,306</u>
	'000	'000
Shares		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	720,732	720,609
Effect of dilution — weighted average number of ordinary shares: Share options	<u>—</u>	<u>53</u>
Weighted average number of ordinary shares, used in the diluted earnings per share calculation	<u>720,732</u>	<u>720,662</u>

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired other items of property, plant and equipment of HK\$51,681,000 (six months ended 30 June 2021: HK\$17,049,000) and recognised right-of-use assets of HK\$932,000 (six months ended 30 June 2021: HK\$17,725,000).

Items of property, plant and equipment with a net carrying amount of HK\$475,000 were disposed of by the Group during the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$52,000).

Right-of-use assets amounted to HK\$19,227,000 were included in property, plant and equipment as at 30 June 2022 (31 December 2021: HK\$25,436,000).

11. INVENTORIES

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Raw materials	96,567	99,450
Work-in-progress	625	954
Finished goods	<u>55,953</u>	<u>66,202</u>
	<u>153,145</u>	<u>166,606</u>

12. TRADE RECEIVABLES

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Trade receivables	109,260	133,002
Impairment	<u>(9,157)</u>	<u>(8,211)</u>
	<u>100,103</u>	<u>124,791</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where the Group normally requires cash on delivery. The credit periods generally range from 30 to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables, based on the invoice date and net of loss allowance, is as follows:

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Within 30 days	47,707	67,730
31 to 60 days	28,390	35,056
61 to 90 days	13,871	13,438
91 to 120 days	6,946	6,765
121 to 180 days	2,119	1,174
Over 180 days	<u>1,070</u>	<u>628</u>
	<u>100,103</u>	<u>124,791</u>

13. TRADE PAYABLES

An ageing analysis of the trade payables based on the invoice date is as follows:

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Within 1 month	58,645	87,452
1 to 2 months	4,471	1,768
2 to 3 months	284	706
Over 3 months	2,525	14
	<u>65,925</u>	<u>89,940</u>

The trade payables are non-interest-bearing and are normally settled within 30 to 60 days.

14. INTEREST-BEARING BANK BORROWINGS

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Current		
Trust receipt loans — unsecured	<u>12,261</u>	<u>3,174</u>

15. ISSUED CAPITAL

	30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
Authorised:		
2,000,000,000 ordinary shares of HK\$0.10 each	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:		
720,731,512 (31 December 2021: 720,731,512) ordinary shares of HK\$0.10 each	<u>72,073</u>	<u>72,073</u>

A summary of movements in the Company's authorised and issued share capital is as follows:

	<i>Note</i>	Number of shares	Share capital HK\$'000
Authorised:			
At 1 January 2021, 31 December 2021, 1 January 2022 and 30 June 2022		<u>2,000,000,000</u>	<u>200,000</u>
Issued and fully paid:			
At 1 January 2021		720,444,312	72,044
Issue of shares upon exercise of share options	(a)	<u>287,200</u>	<u>29</u>
At 31 December 2021, 1 January 2022 and 30 June 2022		<u>720,731,512</u>	<u>72,073</u>

Note:

- (a) During the year ended 31 December 2021, the subscriptions right attaching to 287,200 share options were exercised at the subscription price of HK\$0.594 per share, resulting in the issue of 287,200 ordinary shares of par value of HK\$0.10 each for a total cash consideration (before expenses) of approximately HK\$170,000. An amount of HK\$378,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

16. SHARE-BASED PAYMENTS

The Company operates a pre-initial public offering share option scheme (the “**Pre-IPO Share Option Scheme**”) and a share option scheme (the “**Share Option Scheme**”) (collectively, the “**Schemes**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The principal terms of the Pre-IPO Share Option Scheme are similar to the terms of the Share Option Scheme except that (i) no further options could be granted under the Pre-IPO Share Option Scheme established prior to the date on which the shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), i.e. 11 May 2018 (the “**Listing Date**”); and (ii) the exercise price and the exercise period of the share options are different. Details of the Schemes are set out in the prospectus dated 30 April 2018 issued by the Company in relation to the listing of its shares on the Stock Exchange.

Eligible participants of the Schemes include the Company's executive directors and other employees of the Group. The Schemes were approved and adopted on 15 December 2017. The Share Option Scheme, unless otherwise cancelled or amended, will remain in force for 10 years from the Listing Date.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of the Company.

Share Option Scheme

During the six months ended 30 June 2022, no options were granted or agreed to be granted under the Share Option Scheme.

Pre-IPO Share Option Scheme

The following share options under the Pre-IPO Share Option Scheme were outstanding during the period/year:

	Six months ended 30 June 2022		Year ended 31 December 2021	
	Weighted average exercise price <i>HK\$ per share</i>	Number of options	Weighted average exercise price <i>HK\$ per share</i>	Number of options
At the beginning of the period/year	—	—	0.594	348,800
Exercised during the period/year	—	—	0.594	(287,200)
Forfeited during the period/year	—	—	0.594	(61,600)
At the end of the period/year	—	—	0.594	—

The weighted average share price at the date of exercise for share options exercised for the year ended 31 December 2021 was HK\$0.594 per share.

17. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions, arrangements and balances detailed elsewhere in the unaudited interim condensed consolidated financial statements, the Group had the following transaction with a related party based on terms mutually agreed with the related party during the period:

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Lease expense paid to a related company (note)	—	930

Note: Mr. Wong Tat Tong, a director and a beneficial shareholder of the Company, is the controlling shareholder of the related company.

- (b) **Compensation of key management personnel of the Group**

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Short term employee benefits	8,299	8,024
Pension scheme contributions (defined contribution schemes)	415	393
	<u>8,714</u>	<u>8,417</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Tsit Wing International Holdings Limited (the “**Company**”), together with its subsidiaries (collectively, the “**Group**”), is a leading integrated business-to-business (“**B2B**”) coffee and black tea solutions provider in Hong Kong, Macau and Mainland China providing one-stop coffee and tea solutions to commercial customers that cover the entire coffee and tea procurement, processing and distribution value chain.

For the six months ended 30 June 2022, the Group recorded a total revenue of HK\$329.0 million, representing a decrease of HK\$32.3 million, or 8.9%, from HK\$361.3 million for the six months ended 30 June 2021. Revenue from the beverage solutions segment decreased by HK\$31.2 million, or 8.8%, from HK\$352.9 million for the six months ended 30 June 2021 to HK\$321.7 million for the six months ended 30 June 2022, which was attributable to the decrease in revenue derived from Hong Kong and Mainland China. Revenue from the food products segment decreased by HK\$1.1 million, or 13.1%, from HK\$8.4 million for the six months ended 30 June 2021 to HK\$7.3 million for the six months ended 30 June 2022, which was attributable to the decrease in revenue derived from Hong Kong. While gross profit decreased along with revenue, gross profit margin decreased from 40.4% for the six months ended 30 June 2021 to 34.3% for the six months ended 30 June 2022.

BUSINESS PROSPECT

The COVID-19 pandemic has been raging in Hong Kong for more than two years and the fifth wave, which was particularly severe, has been lasting for more than half a year. In addition, A number of cities in China were locked down in light of the outbreak earlier in the year. All these continue to impose a great impact on the Group's performance.

In anticipation of the relaxation of overseas tourists entry restrictions and social distancing measures in Hong Kong, it is expected that many industries will start to resume normal business, including food and beverage. Despite the adverse market situation, the Group's business has started picking up again since again May 2022, whereupon its sales and profit margin show the trend of improvement. With the proper control of costs and expenses, the Group expects that the profit margin will start to stabilize in the second half of the year.

During the past six months, the Group had carried out a series of enhancement initiatives, including the upgrade of the SAP system for enhancing the CRM and the market assessment system so as to strengthen a better grip of market and customer information and thus allowing the Group to adapt changes in a timely manner. Data showed that consumption pattern of customers and market trend had been changed due to the emergence of the pandemic. Online sales in Hong Kong saw steady growth and business-to-customers (B2C) sales regained momentum versus year ago. Based on these analyses, the Group has been adjusting its sales and marketing strategies in order to meet the evolving market needs.

China business is always another focus in which the Group plans to commit efforts. During the first half year, amid the challenging business environment, the Group had strengthened its operational capabilities in different aspects like marketing, sales and supply chain to support its development plan.

Under the pandemic threat, the Group will continue to stay alert and maintain its flexibility in setting the strategy in response to the changes in government policies and market reaction. Having said that, the Group remains confident in its long-term prospect and will plan ahead to capture more business opportunities.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by HK\$32.3 million, or 8.9%, from HK\$361.3 million for the six months ended 30 June 2021 to HK\$329.0 million for the six months ended 30 June 2022. The decrease was primarily due to the decrease in revenue derived from the Group's coffee, tea and milk products, which was mainly the result of a decrease in sales volume of these products arising from the fifth wave outbreak of the novel coronavirus pandemic in Hong Kong and the lockdown measures carried out in Mainland China.

Cost of Sales

The Group's cost of sales increased by HK\$0.9 million, or 0.4%, from HK\$215.4 million for the six months ended 30 June 2021 to HK\$216.3 million for the six months ended 30 June 2022. The increase in the cost of sales was primarily a result of the increase in raw material costs for the beverage solutions products.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit decreased by HK\$33.2 million, or 22.8%, from HK\$145.9 million for the six months ended 30 June 2021 to HK\$112.7 million for the six months ended 30 June 2022. The Group's gross profit margin decreased from 40.4% for the six months ended 30 June 2021 to 34.3% for the six months ended 30 June 2022.

Other Income and Gains, Net

The Group's other income and gains, net increased by HK\$3.3 million, or 275%, from HK\$1.2 million for the six months ended 30 June 2021 to HK\$4.5 million for the six months ended 30 June 2022. The increase was primarily due to government subsidies granted under the Employment Support Scheme of the Government of the Hong Kong Special Administrative Region and fair value gain on derivative financial instruments.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by HK\$10.9 million, or 19.2%, from HK\$56.8 million for the six months ended 30 June 2021 to HK\$45.9 million for the six months ended 30 June 2022, primarily due to the decrease in (i) marketing and promotion expenses, and (ii) logistics expenses, which were generally in line with the decrease in revenue.

Administrative Expenses

The Group's administrative expenses increased by HK\$2.5 million, or 6.4%, from HK\$39.3 million for the six months ended 30 June 2021 to HK\$41.8 million for the six months ended 30 June 2022. The increase was primarily a result of the increase in staff costs and depreciation.

Other Expenses, Net

The Group's other expenses, net, increased by HK\$0.6 million, or 27.3%, from HK\$2.2 million for the six months ended 30 June 2021 to HK\$2.8 million for the six months ended 30 June 2022. The increase was primarily a result of the increase in (i) write-down of inventories to net realisable value, (ii) write-off of inventories, and (iii) expected credit loss of trade receivables.

Finance Costs

The Group's finance costs increased from HK\$0.4 million for the six months ended 30 June 2021 to HK\$0.4 million for the six months ended 30 June 2022. The increment was primarily the result of the increase in interest on (i) bank borrowings from the outstanding balance of interest-bearing bank borrowings, and (ii) lease liabilities.

Income Tax Expense

The Group's income tax expense decreased by HK\$5.0 million, or 49.0%, from HK\$10.2 million for the six months ended 30 June 2021 to HK\$5.2 million for the six months ended 30 June 2022, mainly due to the decrease in profit before tax in Hong Kong and Mainland China. The Group's effective tax rate decreased from 21.0% for the six months ended 30 June 2021 to 19.7% for the six months ended 30 June 2022.

Profit for The Period and Net Profit Margin

As a result of the foregoing, the Group's profit for the period decreased by HK\$17.3 million, or 45.2%, from HK\$38.3 million for the six months ended 30 June 2021 to HK\$21.0 million for the six months ended 30 June 2022. The Group's net profit margin decreased from 10.6% for the six months ended 30 June 2021 to 6.4% for the six months ended 30 June 2022.

Capital Expenditure and Commitments

During the six months ended 30 June 2022, the Group incurred additions of property, plant and equipment of HK\$51.7 million (six months ended 30 June 2021: HK\$17.0 million). The Group's capital expenditures were incurred in relation to the acquisition of property.

As at 30 June 2022, the Group had capital commitments of HK\$17.1 million (31 December 2021: HK\$9.6 million), mainly comprising the related contracts of capital expenditure in production machineries on the Group's coffee roasting system.

Borrowings

As at 30 June 2022, the Group had total interest-bearing bank borrowings of HK\$12.3 million (31 December 2021: HK\$3.2 million).

Contingent Liabilities

During the six months ended 30 June 2022, the Group was not able to obtain the real estate ownership certificate for two warehouses located in Mainland China with the costs of HK\$0.7 million and HK\$0.6 million, respectively, these two warehouses were fully depreciated in prior years. As the Group completed the construction of the relevant warehouses and commenced usage without obtaining the necessary construction planning permit and construction commencement permit prior to the construction and did not complete the filing of the necessary construction completion reports with the relevant authorities, the Group may be requested by the relevant authorities to demolish the construction and is subject to a maximum penalty amounting to RMB1.3 million (equivalent to HK\$1.5 million) (31 December 2021: RMB1.3 million (equivalent to HK\$1.6 million)). Having considered the current practice of the relevant authorities and the advice from the Group's legal counsel, the directors of the Company believe that it is not probable that the relevant authorities will impose the penalty. In addition, the directors of the Company considered the cost of demolishment of the two warehouses is not material to the Group. Accordingly, no provision for the relevant liability has been made.

Litigation Matter

In April 2020, the Group has filed a legal action against a third party in the People's Republic of China ("PRC") for infringement of trademark and improper competition. In July 2022, the Group has received a favorable judgement from the People's Court of Shanghai Pudong New Area, the PRC. Up to the date of this announcement, the third party has filed a petition for appeal against the first instance judgement.

Gearing Ratio

As at 30 June 2022, on the basis of total interest-bearing bank borrowings divided by equity attributable to owners of the parent, the Group's gearing ratio was 2.1% (31 December 2021: 0.5%). The increase in gearing ratio was mainly due to an increment in the outstanding balance of interest-bearing bank borrowings.

Foreign Currency Risk

The Group has transactional currency exposures. Such exposures mainly arise from sales or purchases by operating units in currencies other than the unit's functional currencies. The majority of the Group's foreign currency purchase transactions are denominated in the United States dollars. On the other hand, the sales and disbursements are mainly denominated in Hong Kong dollars and Renminbi. The management is closely monitoring the foreign exchange exposures of the Group. The Group will consider adopting a foreign currency hedging policy for significant foreign currency exposures.

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rate. The Group monitors its interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Credit Risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets included in prepayments, deposits and other receivables arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

Liquidity Risk

The Group's objective is to ensure there are adequate funds to meet its liquidity requirements in the short and longer terms. In the management of liquidity risk, the Group has been maintaining a cash pooling system where excess liquidity is equalised internally through inter-group accounts. Depending on the specific requirements of each funding agreement, funding for the Group's operating companies may be sourced directly from the Group's bankers or indirectly through the Company.

HUMAN RESOURCES

As at 30 June 2022, the Group employed 193 and 227 (31 December 2021: 207 and 235) employees in Hong Kong and the PRC, respectively.

Remuneration packages are generally structured in reference to qualifications, experience, performance and market term. The Company has also adopted share option schemes to motivate valued employees.

During the six months ended 30 June 2022, the Group provided various trainings to its employees ranging from operation skills such as occupational safety training and machine control training to professional knowledge including management system and business knowledge, to ensure the effective implementation of the Group's business strategy.

USE OF PROCEEDS FROM LISTING

The shares of the Company (the “**Shares**”) were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 May 2018 (the “**Listing**”). After the full exercise of the Over-allotment Option (as defined in the prospectus dated 30 April 2018 issued by the Company in relation to the Listing) and after deducting underwriting commissions and all related expenses, the net proceeds from issuance and offer of the Shares in connection with the Listing (the “**Net Proceeds**”) amounted to HK\$232.6 million.

As announced on 4 March 2021, in light of, among other things, the adverse impact of COVID-19 on the market and economic condition in Southeast Asia and the uncertainty of the economic recovery in the region, the Board has resolved to revise the use of the then unutilised Net Proceeds by allocating the Net Proceeds originally designated for expansion into Southeast Asia to (i) strengthening business portfolio; and (ii) general working capital. The Board is of the view that the change in use of Net Proceeds would allow the Group to utilise its financial resources in a more beneficial and effective way. Please refer to the announcement of the Company dated 4 March 2021 for details of the change in use of Net Proceeds.

The original allocation of the Net Proceeds, the remaining balance after the revised allocation of the Net Proceeds on 1 January 2022, the utilisation of the Net Proceeds during the period from 1 January 2022 to 30 June 2022, the unutilised Net Proceeds as at 30 June 2022 and the expected timeline for the utilisation of the remaining Net Proceeds are as follows:

	Original allocation <i>HK\$'000</i>	Remaining balance as at 1 January <i>HK\$'000</i>	Utilisation during the period <i>HK\$'000</i>	Unutilised amount as at 30 June 2022 <i>HK\$'000</i>	Expected timeline for utilising the remaining Net Proceeds
Strengthen business portfolio	93,044	8,346	(6,683)	1,663	Before 31 December 2022
Capital investments of machineries and equipment	46,522	—	—	—	N/A
Expansion into Southeast Asia	23,261	—	—	—	N/A
Product customisation and development	23,261	13,250	—	13,250	Before 31 December 2023
Support sales and marketing	23,261	—	—	—	N/A
General working capital	23,261	—	—	—	N/A
Total	<u>232,610</u>	<u>21,596</u>	<u>(6,683)</u>	<u>14,913</u>	

The unutilised Net Proceeds have been placed as bank balances/time deposits with licensed banks in Hong Kong as at the date of this announcement.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare an interim dividend of HK1.76 cents (six months ended 30 June 2021: HK3.19 cents) per Share for the six months ended 30 June 2022 payable on Wednesday, 21 September 2022 to the shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 6 September 2022.

In order to determine the entitlement of the shareholders to receive the aforesaid interim dividend, the register of members of the Company will be closed on Tuesday, 6 September 2022, during which no transfer of Shares will be registered. In order to be eligible to receive the interim dividend, all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 5 September 2022.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with terms of reference in compliance with Rules 3.21 and 3.22 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and code provision D.3 of the Corporate Governance Code as contained in Appendix 14 to the Listing Rules (the “**CG Code**”). The Audit Committee consists of three independent non-executive Directors, namely Mr. Tang Kwai Chang (Chairman), Mr. Wong Man Fai and Mr. Lok Kung Chin Hardy. The Audit Committee reviewed with the management the accounting policies and practices adopted by the Company and discussed the auditing, internal control and financial reporting matters. The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2022 have been reviewed by the Audit Committee.

In addition, the Company's external auditor, Ernst & Young, has performed an independent review of the Group's interim condensed consolidated financial statements for the six months ended 30 June 2022 in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity”.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company maintained a sufficient public float of the issued Shares (i.e. at least 25% of the issued Shares in the public hands) as required under the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2022 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining good corporate governance practices and providing transparency and accountability to its shareholders and stakeholders for enhancing investor confidence.

The Company has complied with the code provisions as set out in the CG Code (to the extent that such provisions are applicable) during the six months ended 30 June 2022, except for a deviation from code provision C.2.1 of the CG Code in respect of the roles of chairman and chief executive officer of the Company.

Pursuant to code provision C.2.1 of CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wong Tat Tong (“**Mr. Wong**”) is currently the chairman of the Board and chief executive officer of the Company, responsible for formulating the overall business development strategy and planning of the Group. In view of the fact that Mr. Wong has been responsible for the overall management of the Group since 1978, the Board considered that vesting the roles of chairman and chief executive officer in the same person facilitates the execution of the Company’s business strategies and maximises the effectiveness of its operations.

The Board shall nevertheless review the structure from time to time and shall consider their appropriate adjustments should the need arise. There are three independent non-executive Directors on the Board and each of them possesses an adequate level of independence with their diverse background and experience. Therefore, the Board considers that the Company has achieved a balance of power and authority, accountability and independent decision-making under the present arrangement and provided sufficient protection to its and its shareholders’ interests. Further, the Audit Committee has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary. Therefore, the Directors consider that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own Security Dealing Code (the “Code”) on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. The Code is also applicable to the specified group of employees who may possess or have access to price sensitive information. Specific enquiries were made to all Directors, and all Directors have confirmed the compliance with the required standard set out in the Code throughout the six months ended 30 June 2022.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.twcoffee.com). The interim report of the Company for the six months ended 30 June 2022 will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Tsit Wing International Holdings Limited
Mr. Wong Tat Tong
Chairman and Executive Director

Hong Kong, 18 August 2022

As at the date of this announcement, the Board comprises six Directors. The executive Directors are Mr. Wong Tat Tong, Ms. Fan Yee Man and Mr. Kam Chun Pong Bernard. The independent non-executive Directors are Mr. Tang Kwai Chang, Mr. Wong Man Fai and Mr. Lok Kung Chin Hardy.