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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 the board (the “**Board**”) of directors (the “**Directors**”) of 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 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 2022 and other information currently available to the Board, the Group is expected to turnaround from loss to profit and record a profit attributable to the owners of the Company for the year ended 30 June 2022 of not less than HK\$100,000,000, as compared to a loss attributable to owners of the Company of approximately HK\$150,249,000 for the corresponding period in 2021. The turnaround is mainly due to 1) various COVID-19 strategies implemented by different countries or areas together with the growing global COVID-19 vaccine injection rate, which has stabilised the COVID-19 situation and reduced the fear of COVID-19, benefiting both our manufacturing and retail businesses and 2) the stabilised Hong Kong commercial property market and lower fair value loss expected to be recorded in the property investment business.

The revenue from manufacturing business segment for the year ended 30 June 2022 is expected to substantially increase when compared to the segment revenue of approximately HK\$897,062,000 for the corresponding period in 2021. It is expected to record a segment profit before tax for the year ended 30 June 2022 as compared to a segment loss before tax of approximately HK\$52,109,000 for the corresponding period in 2021. Brand customers are confident in placing orders and sourcing supplies from the PRC because of its stable supply chain and high quality production to support the growing business. The depreciation of Renminbi against United States dollar in the first half year of 2022 has also improved the gross profit margin of the manufacturing business segment to a certain extent.

The revenue (including the revenue of a discontinued operation) from retail business segment for the year ended 30 June 2022 is expected to decrease slightly when compared to the segment revenue of approximately HK\$514,280,000 for the corresponding period in 2021. The segment loss before tax (including the loss before tax of a discontinued operation) for the year ended 30 June 2022 is expected to decrease significantly as compared to the segment loss before tax of approximately HK\$61,352,000 for the corresponding period in 2021. It is mainly benefiting from livestream sales especially in the PRC market and only about half year operating loss, related impairment and expenses were included in the current year profit or loss as a result of the disposal of Viva China Premium Brands Limited (formerly known as “Sitoy AT Holdings Company Limited”) and its subsidiaries. Details of the disposal had been set out in the announcements of the Company dated 3 November 2021 and 5 November 2021 and the Company’s interim report published on 24 March 2022.

The revenue from property investment segment for the year ended 30 June 2022 is expected to increase slightly when compared to the segment revenue of approximately HK\$13,537,000 for the corresponding period in 2021 as no material rental concessions were offered to tenants in 2022. It is expected to record a segment profit before tax for the year ended 30 June 2022 when compared to the segment loss before tax of approximately HK\$2,640,000 for the corresponding period in 2021. This is mainly due to lower fair value loss expected to be recorded during the year ended 30 June 2022 while fair value loss of approximately HK\$11,400,000 on investment properties revaluation was recorded for the year ended 30 June 2021.

The Company is still in the process of finalising the consolidated annual results of the Group for the year ended 30 June 2022. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available to the Company, which has not been reviewed or audited by the external auditors and the audit committee of the Company and may be subject to change. The finalised consolidated annual results of the Group for the year ended 30 June 2022 may be different from what is disclosed herein.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and are advised to refer to the Group's consolidated annual results for the year ended 30 June 2022 to be published on or before 30 September 2022.

By order of the Board
Sitoy Group Holdings Limited
Yeung Michael Wah Keung
Chairman

Hong Kong, 5 September 2022

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.