



SATU HOLDINGS LIMITED

舍圖控股有限公司

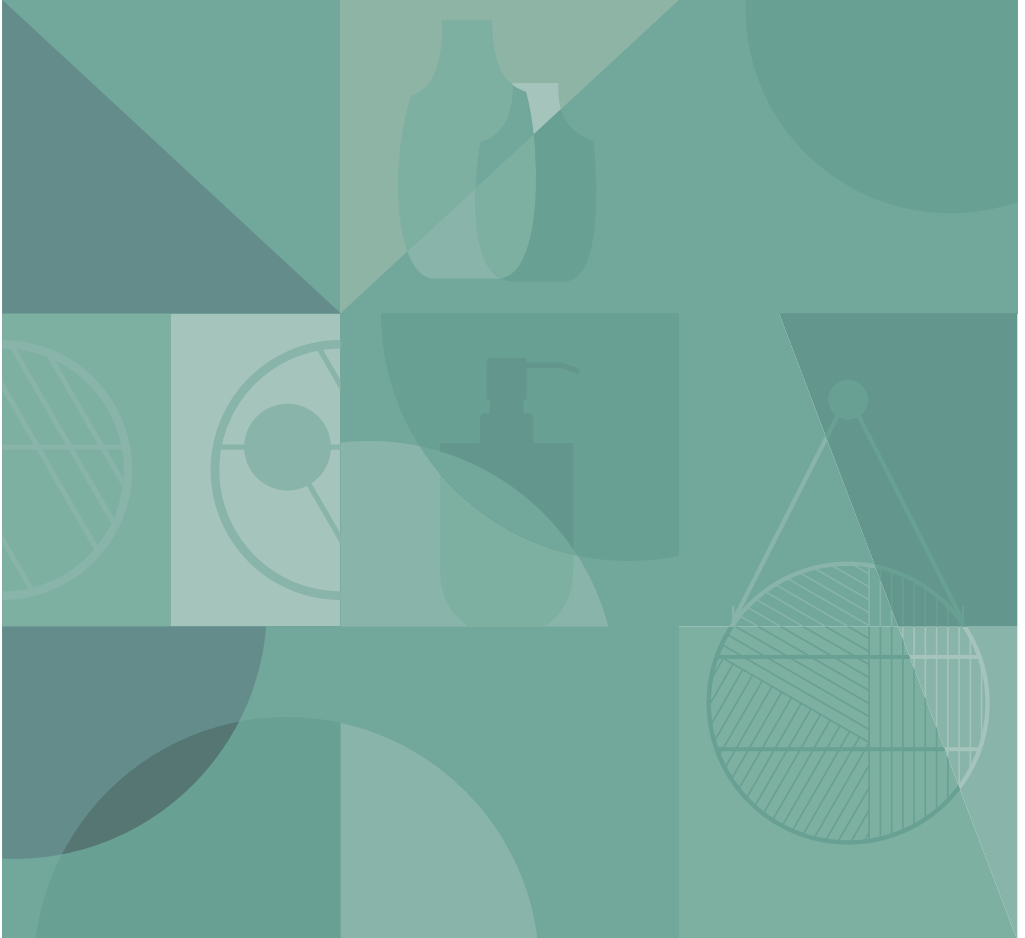
(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：8392

THIRD QUARTERLY REPORT

2019/20 第三季度報告



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the “**Directors**”) of Satu 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 report 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 report misleading.*

CONTENTS

MANAGEMENT DISCUSSION AND ANALYSIS	3
CORPORATE GOVERNANCE	7
OTHER INFORMATION	8
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	12
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	13
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	14
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION	15

MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months and nine months ended 31 December 2019, together with the comparative figures for the corresponding period in 2018.

BUSINESS REVIEW

The principal activities of the Group are homeware export (mainly in Europe and USA) with approximately 9.0% of e-commerce business. In 2019, the international economic situation is complex and grim. The ongoing discussions between the US and the PRC with regard to phase 2 of the Sino-US trade deal and the uncertainties surrounding the diplomatic and economic relationships between the United Kingdom and the other countries, in particular, the member states of the European Union after Brexit continue to cast an unpredictable shadow on the global and overall market sentiment and make end-customer sluggish in their consumption. Due to the intense market competition, the gross profit margin dropped from approximately 31.0% for the nine months period ended 31 December 2018 (the “**Previous Period**”) to approximately 26.9% of the nine months period ended 31 December 2019 (the “**Period**”). The overall revenue of the Group dropped by approximately 11.2% to approximately HK\$42.0 million (Previous Period: approximately HK\$47.3 million) and its net loss increased to approximately HK\$5.8 million (Previous Period: approximately HK\$2.5 million) for the Period. The increase of loss is mainly due to the decrease in sales orders from two major customers, a lower gross profit margin recorded and an increase in the depreciation of property, plant and equipment during the Period.

PROSPECT

Looking forward, the difficult global market situation is likely to persist. In order to turn the Group back to a profitable position, the Company will first implement measures for cost and expense control. In particular, the management will strive to control costs by minimizing its operating costs such as selling and distribution expenses and administrative expenses. Second, the Company will actively optimize its product mix such as diffusers and small furniture. These products will be introduced in the last quarter of this financial year and also in the coming Ambiente Fair. Our management believes that successfully

MANAGEMENT DISCUSSION AND ANALYSIS

expanding our product mix can reduce the risk of reliance on the existing product lines and help to expand our customer base. Meanwhile, the brand promotion project is also in progress. Our brand product will be launched in the first quarter (January - March) of 2020. The Group will adjust its market strategies, explore potential products and improve the management measures to enhance its competitiveness. In the face of various uncertainties, the Group remains positive and cautiously optimistic about its overall business prospects.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the Period was approximately HK\$42.0 million, representing a decrease of approximately 11.2% as compared to that of approximately HK\$47.3 million for the Previous Period. The decrease was mainly attributable to the decrease in sales orders from two major customers during the Period.

Cost of Sales

The cost of sales of the Group decreased by approximately 5.8% from approximately HK\$32.6 million for the Previous Period to approximately HK\$30.7 million for the Period, which was in line with the decrease in revenue.

Gross Profit

Gross profit dropped by approximately 23.1% to approximately HK\$11.3 million for the Period from approximately HK\$14.7 million for the Previous Period, which was in line with the decrease in revenue. The gross profit margin decreased from approximately 31.0% for the Previous Period to approximately 26.9% for the Period. It is mainly attributable to the decrease in sales orders with high profit margin from customers during the Period.

Selling and Distribution Expenses

During the Period, the selling and distribution expenses of the Group amounted to approximately HK\$6.4 million, representing a decrease of approximately 28.1% from approximately HK\$8.9 million for the Previous Period. It was mainly attributable to the decrease in staff cost as the Company paid one-off

MANAGEMENT DISCUSSION AND ANALYSIS

bonus for the staff in the Previous Period and the decrease in the freight and transportation charges, advertising costs, promotion and exhibition expenses due to the Group's cost-cutting efforts during the Period.

Administrative and Other Operating Expenses

The administrative expenses of the Group increased by approximately 11.8% from approximately HK\$10.2 million for the Previous Period to approximately HK\$11.4 million for the Period. The increase in administrative expenses was mainly attributable to the increase in the depreciation of the additional property, plant and equipment in relation to the renovation of our showroom in the PRC, new equipment of the laboratory and websites of e-commerce business, which were incurred from October 2018 to February 2019 and the estimated useful lives are ranging from 1 year to 5 years.

During the Period, the Group recorded the depreciation of the above-mentioned additional property, plant and equipment in the amount of approximately HK\$3.1 million, representing an increase of approximately 244.4% as compared to that of approximately HK\$0.9 million for the Previous Period.

Income Tax Expense

The Group's income tax expenses was approximately HK\$20,000 for the Period, representing a decrease of approximately 50.0% as compared to approximately HK\$40,000 for the Previous Period, which was mainly due to the decrease in gross profit causing the loss before tax during the Period.

Loss for the Period

The Group recorded a loss of approximately HK\$5.8 million and HK\$2.5 million for the Period and the Previous Period respectively.

Excluding the depreciation in relation to the additional property, plant and equipment mentioned under the section headed "Administrative and Other Operating Expenses" above, the loss of the Group amounted to approximately HK\$2.7 million, representing an increase of approximately 68.8% as compared to that of approximately HK\$1.6 million for the Previous Period. It is mainly due to 1) a decrease in sales orders from two major customers; and 2) a lower gross profit margin recorded.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a resolution of the then shareholders of the Company on 22 September 2017 to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. As at 31 December 2019 and up to the date of this report, no option had been granted or agreed to be granted, lapsed, exercised or cancelled and there were no outstanding share options under the Share Option Scheme.

DIVIDENDS

The Board takes into account, among other factors, the Group's overall results of operation, financial position and capital requirements with respect to the declaration of dividends. The Board does not recommend a payment of any dividend for the Period (Previous Period: Nil).

SIGNIFICANT EVENT AFTER THE PERIOD

There has been no significant event that affected the Group after 31 December 2019 and up to the date of this report.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

Pursuant to code provision A.2.1 of the Corporate Governance Code (“**CG Code**”) and Corporate Governance Report in Appendix 15 to the GEM Listing Rules, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. However, we do not have a separate chairman and chief executive, and Mr. She Leung Choi (“**Mr. She**”) currently performs these two roles. Our Board believes that vesting the roles of both chairman and chief executive in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. Our Board considers that the balance of power and authority under the present arrangement will not be impaired and this structure enables our Company to make and implement management and corporate decisions promptly, efficiently and effectively. Our Board will continue to review and consider splitting the roles of chairman of our Board and chief executive of our Company when it is appropriate and suitable, taking into account the management needs and the corporate circumstances of our Group as a whole.

Save for the deviation from the code provision of A.2.1 of the CG Code, the Company has adopted and complied with all the applicable code provisions set out in the CG Code as contained in Appendix 15 of the GEM Listing Rules during the Period.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry with each Director and all Directors have confirmed that they have complied with the required standard of dealings and the code of conduct regarding directors’ securities transactions adopted by the Company during the Period.

OTHER INFORMATION

INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, so far as our Directors are aware, the persons (other than the Directors and chief executive of the Company) who will have or be deemed or taken to have interests and/or short positions in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”), or who were recorded in the register of the Company required to be kept pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the Company’s issued share capital are as follows:

Name of Shareholder	Capacity	Number of ordinary Shares held (Note 1)	Approximate percentage of shareholding
Hearthfire Limited (“Hearthfire”)	Beneficial owner	611,250,000 (L) (Note 2)	61.125%
Top Clay Limited (“Top Clay”)	Beneficial owner	52,500,000 (L) (Note 3)	5.25%
Ms. Sze Sau Taap (“Ms. Sze”)	Interest of controlled corporation	52,500,000 (L) (Note 3)	5.25%
Present Moment Limited (“Present Moment”)	Beneficial owner	86,250,000 (L) (Note 4)	8.625%

Notes:

1. The letter “L” denotes a long position in the shareholder’s interest in the Shares.
2. Hearthfire is wholly-owned by Mr. She, an executive Director, and by virtue of the SFO, Mr. She is deemed to be interested in all the Shares held by Hearthfire.
3. Top Clay is wholly-owned by Ms. Sze and by virtue of the SFO, Ms. Sze is deemed to be interested in all the Shares held by Top Clay.
4. Present Moment is wholly-owned by Ms. Chan Lai Yin (“Ms. Chan”), an executive Director, and by virtue of the SFO, Ms. Chan is deemed to be interested in all the Shares held by Present Moment.

OTHER INFORMATION

Save as disclosed above, as at 31 December 2019, so far as is known by or otherwise notified to the Directors, no other person or entity (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under Section 336 of the SFO or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2019, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (b) to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

(i) Interest in the Company

Name of Director	Capacity	Number of ordinary Shares held (Note 1)	Approximate percentage of shareholding
Mr. She	Interest of controlled corporation	611,250,000 (L) (Note 2)	61.125%
Ms. Chan	Interest of controlled corporation	86,250,000 (L) (Note 3)	8.625%

Notes:

1. The letter "L" denotes a long position in the Director's interest in the Shares.
2. Hearthfire is wholly-owned by Mr. She, an executive Director, and by virtue of the SFO, Mr. She is deemed to be interested in all the Shares held by Hearthfire.
3. Present Moment is wholly-owned by Ms. Chan, an executive Director, and by virtue of the SFO, Ms. Chan is deemed to be interested in all the Shares held by Present Moment.

OTHER INFORMATION

(ii) Interest in associated corporations

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares in associated corporation held (L)	Approximate percentage of shareholding
Mr. She	Hearthfire	Beneficial owner	1 share of US\$1.00 each	100%

Note: The letter "L" denotes a long position in the Director's interest in the shares of the associated corporation.

Save as disclosed above, as at 31 December 2019, none of the Directors nor the chief executive of the Company had registered any interests and short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register referred to in Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the Period.

OTHER INFORMATION

INTERESTS OF COMPLIANCE ADVISER

As notified by Titan Financial Services Limited (“Titan”), the Company’s compliance adviser, save for the compliance adviser agreement entered into between the Company and Titan dated 31 May 2019 in connection with the compliance adviser, none of Titan or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Group as at 31 December 2019, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Period.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provisions C.3.3 and C.3.7 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Audit Committee, comprising three independent non-executive Directors, namely Mr. Ho Kim Ching, Mr. Chan Ching Sum Sam and Ms. Fan Pui Shan, has reviewed the accounting standards and policies adopted by the Group and the quarterly report including the unaudited condensed consolidated financial information of the Group for the Period.

By order of the Board
Satu Holdings Limited
She Leung Choi
Chairman

Hong Kong, 6 February 2020

As at the date of this report, the executive Directors are Mr. She Leung Choi, Ms. Chan Lai Yin, Mr. She Leung Ngai Alex; and the independent non-executive Directors are Mr. Ho Kim Ching, Mr. Chan Ching Sum Sam and Ms. Fan Pui Shan.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and nine months ended 31 December 2019

	Notes	Nine months ended 31 December		Three months ended 31 December	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue	4	41,975	47,273	13,834	19,787
Cost of sales		(30,694)	(32,617)	(10,246)	(13,508)
Gross profit		11,281	14,656	3,588	6,279
Other income and net gains	4	726	1,971	175	1,200
Selling and distribution expenses		(6,363)	(8,928)	(2,654)	(4,033)
Administrative and other operating expenses		(11,363)	(10,188)	(3,348)	(4,256)
Loss from operations		(5,719)	(2,489)	(2,239)	(810)
Finance costs	5	(26)	(19)	(5)	(5)
Loss before tax		(5,745)	(2,508)	(2,244)	(815)
Income tax expense	6	(20)	(40)	(18)	17
Loss for the period attributable to owners of the Company	7	(5,765)	(2,548)	(2,262)	(798)
Loss per share					
Basic and diluted	8	HK(0.58) cents	HK(0.25) cents	HK(0.23) cents	HK(0.08) cents

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

For the three months and nine months ended 31 December 2019

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Loss for the period	(5,765)	(2,548)	(2,262)	(798)
Other comprehensive income: <i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	(16)	(29)	10	(16)
Other comprehensive income for the period, net of tax	(5,781)	(2,577)	(2,252)	(814)
Total comprehensive income for the period attributable to owners of the Company	(5,781)	(2,577)	(2,252)	(814)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2019

	Attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000	Other reserve HK\$'000	Foreign currency translation reserve HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Retained earnings/ (Accumulated loss) HK\$'000	
At 1 April 2018	10,000	8	(10)	36,793	(360)	11,467	57,898
Loss and total comprehensive income for the period	-	-	(29)	-	-	(2,548)	(2,577)
At 31 December 2018 (unaudited)	10,000	8	(39)	36,793	(360)	8,919	55,321
At 1 April 2019	10,000	8	(29)	36,793	(360)	4,443	50,855
Loss and total comprehensive income for the period	-	-	(16)	-	-	(5,765)	(5,781)
At 31 December 2019 (unaudited)	10,000	8	(45)	36,793	(360)	(1,322)	45,074

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2019

1. GENERAL INFORMATION

Satu Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and is domiciled in Hong Kong. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business in Hong Kong is Unit 2504, 25/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of its principal subsidiaries are the trading, designing of houseware products and E-commerce business.

In the opinion of the Directors, as at 31 December 2019, Hearthfire Limited, a company incorporated in the British Virgin Islands (the “**BVI**”), is the immediate and ultimate parent, and Mr. She, who wholly owns Hearthfire Limited and is a Director of the Company, is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the Period has been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules, and with applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations.

The unaudited condensed consolidated financial information have been prepared in accordance with the same accounting policies adopted in the audited financial statements for the year ended 31 March 2019, expected to be reflected in the annual financial statements for the year ending 31 March 2020. Details of any changes in accounting policies are set out in note 3. The preparation of the unaudited condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2019

2. BASIS OF PREPARATION (CONTINUED)

The unaudited condensed consolidated financial information have been prepared under the historical cost convention. The unaudited condensed consolidated financial information are unaudited but has been reviewed by the Company's audit committee.

This unaudited condensed consolidated financial information are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK\$'000") unless otherwise indicated.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2019, as described in those annual financial statements. In the Period, the Group has applied, for the first time, the following amendments issued by the HKICPA:

HKFRS 16	Leases
HK(IFRIC) 23	Uncertainty over Income Tax Treatments
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23
Amendments to HKAS 28	Long-term Interest in Associates and Joint Ventures

The application of the above amendments to HKFRSs for the Period has had no material effect on the amounts reported in the unaudited condensed consolidated financial information and/or disclosures set out in the unaudited condensed consolidated financial information.

The Group has not early adopted any new or revised HKFRSs that have been issued but are not yet effective in the unaudited condensed consolidated financial information.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2019

4. REVENUE AND SEGMENT INFORMATION

Revenue and other income and net gains recognised are as follows:

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue				
Sales of homeware products	41,975	47,273	13,834	19,787
Other income and net gains				
Interest income	364	280	105	86
Packaging income	84	118	49	83
Sampling income	85	98	15	17
Gain on disposal of property, plant and equipment	50	–	–	–
Exchange gain/(loss), net	–	1,146	(7)	821
Others	143	329	13	193
	726	1,971	175	1,200

Segment information

The executive Directors of the Company, being the chief operating decision maker, regularly review revenue analysis by customers and by locations. The executive Directors of the Company consider the operating activities of designing and trading of homeware products as a single operating segment. The operating segment has been identified with reference to the internal management reports and is regularly reviewed by the executive Directors of the Company. The executive Directors of the Company review the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single operating segment is presented.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2019

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

Revenue from external customers, based on location of delivery to customers, is as follows:

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue				
United Kingdom	15,494	15,893	5,900	5,407
Denmark	4,804	10,688	182	3,035
United States	4,895	5,451	2,588	4,247
France	4,691	3,972	1,796	2,684
Poland	3,372	1,517	774	1,014
Australia	2,478	2,027	572	642
Italy	566	953	129	344
Others	5,675	6,772	1,893	2,414
	41,975	47,273	13,834	19,787

An analysis of the Group's non-current assets by their geographical location is as follows:

	As at 31 December 2019 HK\$'000 (unaudited)	As at 31 March 2019 HK\$'000 (audited)
Hong Kong	533	591
PRC	3,269	6,250
Others	273	384
	4,075	7,225

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2019

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Customer A	4,373	9,384	144	2,358
Customer B	13,001	9,188	4,831	3,881
Customer C	5,942	5,651	1,518	2,247

5. FINANCE COSTS

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Finance lease charges	26	19	5	5

6. INCOME TAX EXPENSE

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Current tax				
— Hong Kong Profits Tax	18	40	18	(17)
— PRC Enterprise Income Tax				
Under-provision in prior year	2	—	—	—
	20	40	18	(17)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2019

6. INCOME TAX EXPENSE (CONTINUED)

The Company was incorporated in the Cayman Islands and B & C Industries (BVI) Limited (“**B&C Industries BVI**”) was incorporated in the BVI that are tax exempted as no business has been carried on in the Cayman Islands and the BVI under the tax laws of the Cayman Islands and the BVI respectively.

Hong Kong Profits Tax has been calculated at a rate of 16.5% on the estimated assessable profits for the Period and the Previous Period.

Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

No PRC enterprise income tax has been incurred since the Group did not generate any assessable profits arising in the PRC for the Period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2019

7. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging the following:

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Auditor's remuneration	535	505	175	164
Cost of homeware products	27,709	29,939	8,935	12,055
Depreciation	3,331	1,282	1,103	995
Foreign exchange (gain)/loss, net	5	(1,146)	12	(821)
Operating lease charges in respect of:				
— Office premises	1,747	1,961	570	718
— Warehouse	203	—	67	—
Staff costs including Directors' emoluments				
— Salaries, allowances and bonus	5,932	7,345	1,909	2,770
— Retirement benefit scheme contributions	302	231	97	49

8. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the three months and nine months ended 31 December 2019 of approximately HK\$2,262,000 and HK\$5,765,000 respectively (loss of three months and nine months ended 31 December 2018: approximately HK\$798,000 and HK\$2,548,000 respectively) and the weighted average of 1,000,000,000 ordinary shares in issue during the Period and the Previous Period.

Diluted loss per share

There were no potential dilutive ordinary shares outstanding during the Period and the Previous Period, and hence the diluted loss per share is the same as basic loss per share.

9. DIVIDENDS

The Directors do not recommend a payment of dividend of the Company for the Period (Previous Period: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2019

10. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in this report, the Group had the following transactions with its related parties:

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Rental expense to Pansino Homeware (Shenzhen) Co., Ltd.* (泛華家居用品(深圳)有限公司) ("Pansino Shenzhen") (Note 1)	1,149	1,254	370	418
Sales of motor vehicle to Mr. She (Note 2)	400	Nil	Nil	Nil

* For identification purpose only

Notes:

- Mr. She is interested in this transaction to the extent that he is the beneficial owner of Pansino Shenzhen.
 - The sales proceeds of the motor vehicle to Mr. She was based on the market value. The Group recorded approximately HK\$48,000 gain on disposal of the motor vehicle.
- (b) The remuneration of Directors and other members of key management was as follows:

	Nine months ended 31 December		Three months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Short-term benefits	2,196	1,975	732	609



SATU HOLDINGS LIMITED
舍圖控股有限公司



MIX
Paper from
responsible sources
FSC™ C120915