

Interim Report
2021/2022
中期報告



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

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Given that 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.

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*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.*

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. She Leung Choi
(*Chairman and
Chief Executive Officer*)
Ms. Chan Lai Yin
Mr. She Leung Ngai Alex

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ho Kim Ching
Mr. Chan Ching Sum Sam
Ms. Fan Pui Shan

AUDIT COMMITTEE

Mr. Ho Kim Ching (*Chairman*)
Mr. Chan Ching Sum Sam
Ms. Fan Pui Shan

REMUNERATION COMMITTEE

Mr. Chan Ching Sum Sam
(*Chairman*)
Mr. She Leung Choi
Mr. Ho Kim Ching

NOMINATION COMMITTEE

Mr. Chan Ching Sum Sam
(*Chairman*)
Mr. She Leung Choi
Mr. Ho Kim Ching

RISK MANAGEMENT COMMITTEE

Ms. Chan Lai Yin (*Chairlady*)
Mr. She Leung Ngai Alex
Ms. Fan Pui Shan

COMPANY SECRETARY

Ms. Wong Nga Yan
(Resigned on 1 September 2021)
Ms. Tsang Lee Mei
(Appointed on 1 September 2021)

AUTHORIZED REPRESENTATIVES

Mr. She Leung Choi
Ms. Wong Nga Yan
(Resigned on 1 September 2021)
Ms. Tsang Lee Mei
(Appointed on 1 September 2021)

COMPLIANCE OFFICER

Mr. She Leung Choi

REGISTERED OFFICE

Second Floor
Century Yard
Cricket Square
P.O. Box 902
Grand Cayman
KY1-1103
Cayman Islands

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2504, 25th Floor
Nanyang Plaza
57 Hung To Road
Kwun Tong, Kowloon
Hong Kong

PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Units 01 to 11, 23/F
Oriental Plaza
Luohu, Shenzhen
PRC

CORPORATE INFORMATION

LEGAL ADVISER

As to Hong Kong Law
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Notaries
Suites 1801-3
18th Floor
One Taikoo Place 979 King's Road
Quarry Bay
Hong Kong

COMPANY'S WEBSITE

www.satuhome.com

STOCK CODE

8392

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Services (Cayman Islands)
Limited
Second Floor
Century Yard
Cricket Square
P.O. Box 902
Grand Cayman
KY1-1103
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

The Hongkong and Shanghai
Banking Corporation Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

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 six months ended 30 September 2021 (the “**Period**”), together with the comparative figures for the corresponding period in 2020 (the “**Previous Period**”).

BUSINESS REVIEW

The Group was principally engaged in the businesses of homeware export, e-commerce, and sales of our own brand products during the Period. Our homeware customers are comprised of international brand owners and licensees, chain supermarkets and renowned department stores mainly in Europe. The total revenue of the Group has reached approximately HK\$88.6 million for the Period, representing a significant increase of approximately 193.4% as compared to that of approximately HK\$30.2 million for the Previous Period.

The homeware export business was still the Group’s major source of revenue which contributed approximately 95.0% of the total revenue of the Group during the Period. The revenue of the homeware export business reached approximately HK\$84.1 million, representing an increase of approximately 214.6% comparing to the Previous Period. The increase of homeware export sales was mainly attributable to the increase in sales orders from three major customers for the Period. Yet, the gross profit margin of homeware export business decreased from approximately 29.9% in the Previous Period to approximately 18.8% in the Period. It is mainly attributable to one of our major customers placing orders with lower gross profit margins during the Period.

The revenue of our own brand products increased to approximately HK\$3.0 million, representing a significant increase of approximately 150.0%, from approximately HK\$1.2 million in the Previous Period. Such increase was mainly due to the recognition of our own brand products by promotion and advertising strategy.

The sales performance of our e-commerce business for the Period decreased approximately 38.3% comparing to the Previous Period due to the fierce competition in the market during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the Group recorded a profit attributable to the owners of the Company of approximately HK\$6.3 million as compared to the loss attributable to the owners of the Company of approximately HK\$0.3 million for the Previous Period.

PROSPECT

In response to the spread of COVID-19 pandemic, many countries around the world implemented restrictions on cross border activities and social distance, which caused severe damage to the global economy. Yet, the Group expects the global economy would gradually recover with the availability of COVID-19 vaccines and stimulation fiscal policy adopted by large economies. Nevertheless, the operating environment in the rest of the year would remain challenging and full of uncertainty, the Group is prudently optimistic towards the prospects for business growth and development.

With the recovery of global business activities, the Group expects our customers would resume the number of purchases orders in the coming months. Meanwhile, the Group will continue to widen our product portfolio and customer base in order to attain the enhancement of our revenue and profitability. On the other hand, the Group will monitor the development of the COVID-19 pandemic as well as assess its overall impact on the Group's business and operation closely.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Period was approximately HK\$88.6 million, representing a significant increase of approximately 193.4% as compared to that of approximately HK\$30.2 million for the Previous Period. Such increase in revenue was primarily due to the increase in revenue from homeware export business and revenue generated by our own brand products during the Period.

Cost of Sales

The Group's cost of sales increased by approximately 240.6% from approximately HK\$20.7 million for the Previous Period to approximately HK\$70.5 million for the Period, which was in line with the increase in revenue for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit

Gross profit increased by approximately 90.5% to approximately HK\$18.1 million for the Period from approximately HK\$9.5 million for the Previous Period. The gross profit margin decreased from approximately 31.5% for the Previous Period to approximately 20.4% for the Period. It was mainly attributable to the placing orders from one of our major customers with lower gross profit margin during the Period.

Other Income and Net Gains

The other income and net gains of the Group decreased by approximately HK\$0.3 million, from approximately HK\$0.5 million for the Previous Period to approximately HK\$0.2 million for the Period. The decrease was primarily due to the absence of non-recurring government subsidy under the Employment Support Scheme for the Period.

Selling and Distribution Expenses

During the Period, selling and distribution expenses increased to approximately HK\$6.2 million, representing an increase of approximately 44.2%, from approximately HK\$4.3 million for the Previous Period. It was mainly attributable to the increase in promotion and advertising costs.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses was maintained at approximately HK\$5.8 million for the Previous Period and the Period, respectively.

Finance Costs

The finance costs decreased by approximately HK\$10,000, or representing approximately 37.0%, from approximately HK\$27,000 for the Previous Period to approximately HK\$17,000 for the Period. The decrease was mainly due to the decrease in interest expense on lease liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Income Tax Expense

The Group's income tax expenses was approximately HK\$10,000 for the Period, decreased by approximately 90.8% as compared to that of approximately HK\$109,000 for the Previous Period, which was mainly due to the over-provision of the income tax expenses in prior year.

Profit/(Loss) for the Period Attributable to Owners of the Company

The Group recorded a profit for the Period attributable to owners of the Company of approximately HK\$6.3 million, as compared to the loss for the Previous Period attributable to owners of the Company of approximately HK\$0.3 million. The turnaround profit was mainly attributable to the increase in the gross profit during the Period.

LIQUIDITY, FINANCIAL RESOURCES AND INDEBTEDNESS

The Group's treasury policy is to regularly monitor its current and expected liquidity requirements and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As at 30 September 2021, the Group had bank and cash balances of approximately HK\$28.4 million (31 March 2021: approximately HK\$15.4 million). As at 30 September 2021, the Group's indebtedness comprised lease liabilities of approximately HK\$1.0 million (31 March 2021: approximately HK\$1.4 million).

Gearing ratio is calculated as total debts divided by total equity as at the respective period. As at 30 September 2021, the gearing ratio was approximately 2.6%, which decreased by approximately 1.7% as compared to that of approximately 4.3% as at 31 March 2021. It is mainly due to the repayment and the amortisation of lease liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 September 2021, the Group's total assets amounted to approximately HK\$53.6 million (31 March 2021: approximately HK\$40.9 million) and net assets amounted to approximately HK\$38.6 million (31 March 2021: approximately HK\$32.2 million).

As at 30 September 2021, current ratio and quick ratio of the Group decreased to approximately 3.5 and 3.4 respectively, as compared to that of approximately 4.7 and 4.5 respectively as at 31 March 2021.

SEGMENTAL INFORMATION

Segmental information is presented for the Group in note 4 of the unaudited condensed consolidated interim financial information.

LISTING AND USE OF PROCEEDS FROM THE SHARE OFFER

The Company listed its shares of HK\$0.01 each (the "**Shares**") on the GEM of the Stock Exchange (the "**Listing**") on 16 October 2017 (the "**Listing Date**") and issued a total of 250,000,000 Shares by way of public offer and placing at a price of HK\$0.22 each. The net proceeds from the Listing, after deducting the actual listing expenses, amounted to approximately HK\$31.3 million.

From the Listing Date to 30 September 2021, the net proceeds from the Listing were utilised for the intended purposes as set out in the Prospectus under the section headed "Future Plans and Use of Proceeds" and the announcement for the reallocation and change in use of proceeds of the Company dated 19 March 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of the amount utilised out of the net proceeds up to 30 September 2021 is set out below:

	Use of net proceeds	Reallocation ⁽ⁱ⁾	Utilised net proceeds up to 30 September 2021	Remaining net proceeds as at 30 September 2021	Expected timeline for the use of the remaining net proceeds ⁽ⁱⁱ⁾	Comparison between business objectives with actual business progress up to 30 September 2021
	HK\$ million	HK\$ million	HK\$ million	HK\$ million		
Broaden the existing customer base, increase market share in the existing target markets and expand into new markets	13.2	(7.3)	(5.9)	-	-	
Enhance design and development capabilities	4.7	-	(2.2)	2.5	On or before 31 March 2022	(a)
Enhance our quality assurance capabilities	4.7	-	(4.7)	-	-	
Enhance brand recognition and awareness and promote corporate reputation	6.3	7.3	(10.5)	3.1	On or before 31 March 2023	(b)
General working capital	2.4	-	(2.4)	-	-	
Total	31.3	-	(25.7)	5.6		

- (i) On 19 March 2020, the Group reallocated the unutilised net proceeds in an amount of approximately HK\$7.3 million for establishing one liaison office in each of Europe and the US, acquiring office equipment to operate the liaison offices and recruitment and retaining certain staff to enhance the Company's brand recognition and awareness. For further details, please refer to the announcement of the Company dated 19 March 2020.
- (ii) The expected timeline for utilising the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on current and future development of market conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

- (a) In accordance with the implementation activities as set out in the Prospectus, the Company applied the proceeds in retaining the designer during the Period. The Company expected that the proceeds, amounted to approximately HK\$0.1 million, for retention of staff will be fully utilised on or before 31 March 2022. The Company has not yet utilised the proceeds in upgrading the existing design software and purchasing new design software as planned in the amount of approximately HK\$2.4 million. The Company is exploring the appropriate design software for our business.
- (b) During the Period, the Company applied the proceeds in the following activities, which were consistent with the implementation activities set out in the Prospectus and the announcement for the reallocation and change in use of proceeds of the Company dated 19 March 2020: 1) advertising fee for the promotion of the products with Company's own brand name; 2) providing service fee to the strategic business and brand consultant to develop the products under the Company's own brand name; and 3) maintaining the e-commerce platform for trading the products with the Company's own brand name.

As at the date of this report, the Directors do not anticipate any change to the plan as to the use of proceeds and the balance of the fund would be utilised accordingly.

The remaining unused net proceeds as at 30 September 2021 were placed as bank balances with licensed bank in Hong Kong and will be applied in the manner consistent with the proposed allocations set out in the Prospectus and the announcement for the reallocation and change in use of proceeds of the Company dated 19 March 2020.

HUMAN RESOURCES

As at 30 September 2021, the Group had a total of 29 (as at 30 September 2020: 27) full-time employees, and the total employee benefit expenses for the Period amounted to approximately HK\$4.2 million (Previous Period: approximately HK\$3.8 million). The Group determines the remuneration of its employees based on, among other factors, each employee's qualifications, experience and past performance.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recognises the importance of having good relationship with our employees, and believes our working environment and employee development opportunities have contributed to the Group's good employee relations and employee retention. The Group recruits our employees based on a number of factors such as their work experience, educational background and our needs. The remuneration committee will regularly review and make recommendations to the Board on the overall remuneration policy, compensation package and structure for our Directors and senior management.

FOREIGN CURRENCY EXPOSURE

The Group is exposed to currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong Dollars (“**HKD**”), Renminbi (“**RMB**”), British Pound (“**GBP**”) and United States Dollars (“**USD**”). The Group's sales and purchases are primarily denominated and settled in USD. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities but would monitor the foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

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 30 September 2021 and up to the date of this report, no option has been granted or agreed to be granted, lapsed, exercised, or cancelled and there were no outstanding share options under the Share Option Scheme.

PLEDGE OF ASSETS

The finance lease obligation as at 30 September 2021 was secured against a motor vehicle with a carrying amount of approximately HK\$156,000 (31 March 2021: approximately HK\$228,000).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENTS

As at 30 September 2021, the Group did not have any capital commitments (31 March 2021: Nil).

CAPITAL STRUCTURE

The Shares were successfully listed on GEM on 16 October 2017. There has been no change in the capital structure of the Company since then. The equity of the Company only comprises ordinary shares.

As at 30 September 2021 and the date of this report, the issued share capital of the Company was HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each.

CONTINGENT LIABILITIES

As at 30 September 2021, the Group did not have any material contingent liabilities (31 March 2021: Nil).

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no significant investment held as at 30 September 2021. There was no other plan for material investments or capital assets as at 30 September 2021.

DIVIDENDS

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

SIGNIFICANT EVENT AFTER THE PERIOD

There has been no significant event that affected the Group after 30 September 2021 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 and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules (“**CG Code**”), 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. The Board believes that vesting the roles of both chairman and chief executive in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The 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. The Board will continue to review and consider splitting the roles of chairman of the 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 to 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 set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the Period. The Company had also made specific enquiry with each Director and the Company was not aware of any non-compliance with the required standard of dealings and the code of conduct regarding securities transactions by the Directors during the Period.

OTHER INFORMATION

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

As at 30 September 2021, 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 <i>(Note 1)</i>	Approximate percentage of shareholding
Hearthfire Limited <i>(“Hearthfire”)</i>	Beneficial owner	611,250,000 (L) <i>(Note 2)</i>	61.125%
Present Moment Limited <i>(“Present Moment”)</i>	Beneficial owner	86,250,000 (L) <i>(Note 3)</i>	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. 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.

Save as disclosed above, as at 30 September 2021, so far as is known by or otherwise notified to the Directors, no other persons 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.

OTHER INFORMATION

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

As at 30 September 2021, the interests or short positions of the Directors and 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 <i>(Note 1)</i>	Approximate percentage of shareholding
Mr. She	Interest of controlled corporation	611,250,000 (L) <i>(Note 2)</i>	61.125%
Ms. Chan	Interest of controlled corporation	86,250,000 (L) <i>(Note 3)</i>	8.625%

Notes:

1. The letter "L" denotes a long position in the Director's interest in the Shares.
2. The controlled corporation is Hearthfire, which 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. The controlled corporation is Present Moment, which 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

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

(ii) Interest in associated corporations

Name of Director	Name of associated corporation	Capacity	Number of ordinary Shares in associated corporation held (L) <i>(Note)</i>	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 30 September 2021, 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

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 to 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 interim report including the unaudited condensed consolidated interim financial information of the Group for the Period.

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

Hong Kong, 5 November 2021

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 six months ended 30 September 2021

	Notes	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	4	56,670	18,041	88,583	30,185
Cost of sales		(45,087)	(12,478)	(70,534)	(20,722)
Gross profit		11,583	5,563	18,049	9,463
Other income and net gains	4	78	157	242	545
Selling and distribution expenses		(3,423)	(2,637)	(6,171)	(4,349)
Administrative and other operating expenses		(2,796)	(3,067)	(5,753)	(5,819)
Profit/(loss) from operations		5,442	16	6,367	(160)
Finance costs	5	(8)	(13)	(17)	(27)
Profit/(loss) before tax		5,434	3	6,350	(187)
Income tax expense	6	(4)	(75)	(10)	(109)
Profit/(loss) for the Period attributable to owners of the Company	7	5,430	(72)	6,340	(296)
Earnings/(loss) per share attributable to owners of the Company					
Basic and diluted	8	HK0.543 cents	HK(0.007) cents	HK0.634 cents	HK(0.030) cents

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

For the three months and six months ended 30 September 2021

	Three months ended 30 September		Six months ended 30 September	
	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2020 <i>HK\$'000</i> (unaudited)
Profit/(loss) for the Period	5,430	(72)	6,340	(296)
Other comprehensive income: <i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	(2)	(5)	(20)	(5)
Other comprehensive income for the Period, net of tax	5,428	(77)	6,320	(301)
Total comprehensive income for the Period attributable to owner of the Company	5,428	(77)	6,320	(301)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Notes	As at 30 September 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	1,639	2,082
Right-of-use assets	11	928	1,309
		2,567	3,391
Current assets			
Inventories	12	1,336	1,364
Trade receivables	13	18,197	8,821
Prepayments, deposits and other receivables	14	3,122	1,567
Financial assets at fair value through profit or loss	15	–	10,341
Bank and cash balances		28,410	15,391
		51,065	37,484
Current liabilities			
Trade payables	16	9,722	867
Other payables and accruals	16	3,397	5,473
Contract liabilities	16	902	889
Lease liabilities	17	726	716
Current tax liabilities		33	33
		14,780	7,978
Net current assets		36,285	29,506
Non-current liabilities			
Lease liabilities	17	296	661
NET ASSETS		38,556	32,236
Capital and reserves			
Share capital	18	10,000	10,000
Reserves		28,556	22,236
TOTAL EQUITY		38,556	32,236

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to the owners of the Company					(Accumulated losses)/ Retained earnings	Total equity
	Share capital	Other reserve	Foreign currency translation reserve	Share premium	Merger reserve		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2020	10,000	8	(42)	36,793	(360)	(6,787)	39,612
Loss and total comprehensive income for the period	-	-	(5)	-	-	(296)	(301)
At 30 September 2020 (unaudited)	10,000	8	(47)	36,793	(360)	(7,083)	39,311
At 1 April 2021	10,000	8	(80)	36,793	(360)	(14,125)	32,236
Profit and total comprehensive income for the period	-	-	(20)	-	-	6,340	6,320
At 30 September 2021 (unaudited)	10,000	8	(100)	36,793	(360)	(7,785)	38,556

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

		Six months ended 30 September	
	<i>Note</i>	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		6,350	(187)
Adjustments for:			
Depreciation on property, plant and equipment		440	428
Depreciation on right-of-use assets	<i>11</i>	381	381
Allowance for slow-moving inventories, net		–	(21)
Interest income		(219)	(45)
Finance costs		17	27
Exchange difference		2	14
Operating profit before working capital changes		6,971	597
Increase in trade receivables		(9,376)	(6,540)
Decrease/(Increase) in inventories		28	(78)
Increase in prepayments, deposits and other receivables		(1,555)	(479)
Increase in trade payables		8,855	4,010
Decrease in other payables and accruals		(2,076)	(66)
Increase in contract liabilities		13	224
Cash generated from/(used in) operations		2,860	(2,332)
Income taxes paid		(9)	(4)
Finance costs paid		(17)	(27)
Net cash generated from/(used in) operating activities		2,834	(2,363)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

		Six months ended 30 September	
	Note	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	10	–	(371)
Purchase of financial assets at fair value through profit or loss		–	(2,572)
Proceeds of financial assets at fair value through profit or loss		10,341	–
Interest received		219	45
Net cash generated from/(used in) investing activities		10,560	(2,898)
CASH FLOW FROM FINANCING ACTIVITIES			
Principal elements of lease payments		(355)	(346)
Net cash used in financing activities		(355)	(346)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES			
		(20)	(5)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		13,019	(5,612)
CASH AND CASH EQUIVALENTS AT 1 APRIL			
		15,391	31,220
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER			
		28,410	25,608
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		28,410	25,608

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

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 Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, 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 trading, designing of homeware products and e-commerce business.

In the opinion of the Directors, as at 30 September 2021, 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 interim financial information have been prepared in accordance with the same accounting policies adopted in the audited financial statements for the year ended 31 March 2021, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ended 31 March 2021. Details of any changes in accounting policies are set out in note 3 to the unaudited condensed consolidated interim financial information. The preparation of the unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that can 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.

The unaudited condensed consolidated interim financial information contains selected explanatory notes which include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the consolidated financial statements for the year ended 31 March 2021. The unaudited condensed consolidated interim financial information and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with the HKFRSs.

The unaudited condensed consolidated interim financial information have been prepared under the historical cost convention except for the financial assets at fair value through profit or loss that are measured at fair value. The unaudited condensed consolidated interim financial information are unaudited but has been reviewed by the Company’s audit committee.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

2. BASIS OF PREPARATION (CONTINUED)

This unaudited condensed consolidated interim 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 2021, 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:

Amendments to HKFRS 16	COVID-19 Related Rents Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

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

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs and HKASs would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

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

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$’000 (unaudited)	2020 HK\$’000 (unaudited)	2021 HK\$’000 (unaudited)	2020 HK\$’000 (unaudited)
Revenue				
Sales of homeware products	56,670	18,041	88,583	30,185
Other income and net gains				
Exchange loss, net	(135)	(304)	(161)	(157)
Interest income	127	–	219	45
Packaging income	14	28	25	57
Sampling income	42	9	104	33
Others	30	424	55	567
	78	157	242	545

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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 on the basis of internal management reports prepared 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.

Geographical information

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

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue				
United Kingdom	8,522	7,218	15,095	9,978
Denmark	5,901	2,458	9,170	4,618
Australia	30,720	2,656	48,711	3,631
Poland	1,841	1,023	1,884	2,693
France	2,672	1,884	3,531	2,607
United States	1,969	996	2,530	2,602
Germany	711	78	1,556	981
Others	4,334	1,728	6,106	3,075
	56,670	18,041	88,583	30,185

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

	As at 30 September 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)
Hong Kong	1,104	1,611
PRC	1,463	1,780
	2,567	3,391

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

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:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Customer A	31,065	N/A	48,283	N/A
Customer B	7,164	4,249	10,311	6,516
Customer C	5,893	2,458	9,056	4,618

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest on lease liabilities	8	13	17	27

6. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Current tax				
— Hong Kong Profits Tax	3	76	8	108
— PRC Enterprise Income Tax under-provision/ (over-provision) in prior year	1	(1)	2	1
	4	75	10	109

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

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.

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2 million of assessable profits of qualifying corporations established in Hong Kong will be lowered to 8.25%, and profits above that amount will be subject to the tax rate of 16.5%.

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 either the Period or the Previous Period.

7. PROFIT/(LOSS) FOR THE PERIOD

The Group’s profit/(loss) for the period is stated after charging/(crediting) the following:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$’000 (unaudited)	2020 HK\$’000 (unaudited)	2021 HK\$’000 (unaudited)	2020 HK\$’000 (unaudited)
Auditor’s remuneration	280	299	280	299
Cost of homeware products	42,841	12,439	67,005	20,702
Depreciation on right-of-use assets	191	227	381	381
Depreciation on property, plant and equipment	220	176	440	428
Foreign exchange loss, net	135	304	161	157
Operating lease charges in respect of:				
— Office premises	438	402	870	801
— Warehouse	146	148	291	292
Staff costs including Directors’ emoluments				
— Salaries, allowances and bonus	2,024	1,851	3,992	3,689
— Retirement benefit scheme contributions	106	76	208	140

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

8. EARNINGS/LOSS PER SHARE

The calculation of basic earnings/(loss) per share and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Earnings				
Profit/(loss) attributable to owners of the Company	5,430	(72)	6,340	(296)
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purpose of calculation of basic earnings/(loss) per share	1,000,000	1,000,000	1,000,000	1,000,000

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there were no dilutive potential ordinary share in issue during the Period and Previous Period.

9. DIVIDENDS

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

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group did not make any acquiring of property, plant and equipment (Previous Period: approximately HK\$371,000). No additions to property, plant and equipment during the Period (Previous Period: Nil) was financed by finance lease.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

11. RIGHT-OF-USE ASSETS

	Leased property <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2020	1,699	372	2,071
Depreciation	(309)	(72)	(381)
At 30 September 2020 (unaudited)	1,390	300	1,690
At 1 April 2021	1,081	228	1,309
Depreciation	(309)	(72)	(381)
At 30 September 2021 (unaudited)	772	156	928

12. INVENTORIES

	As at 30 September 2021 <i>HK\$'000</i> (unaudited)	As at 31 March 2021 <i>HK\$'000</i> (audited)
Finished goods	1,336	1,364

As at 30 September 2021, the carrying values of inventories are approximately HK\$1,336,000 (31 March 2021: approximately HK\$1,364,000), which are net of provision of obsolete and slow-moving inventories of approximately HK\$143,000 (31 March 2021: approximately HK\$143,000).

13. TRADE RECEIVABLES

	As at 30 September 2021 <i>HK\$'000</i> (unaudited)	As at 31 March 2021 <i>HK\$'000</i> (audited)
Trade receivables	18,197	8,821

The Group's credit terms generally range from 30 to 120 days. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

13. TRADE RECEIVABLES (CONTINUED)

The aging analysis of trade receivables, based on the delivery date, is as follows:

	As at 30 September 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)
0 to 30 days	3,892	1,466
31 to 60 days	4,874	1,581
61 to 120 days	8,974	5,733
Over 120 days	457	41
	18,197	8,821

As at 30 September 2021 and 31 March 2021, trade receivables of approximately HK\$1,384,000 and approximately HK\$431,000 respectively were past due but not impaired. They relate to trade receivables from a number of independent customers of whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	As at 30 September 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)
0 to 30 days	1,376	431
31 to 60 days	8	-
	1,384	431

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	As at 30 September 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)
USD	17,828	8,762
RMB	331	35
Others	38	24
	18,197	8,821

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

14. PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

	As at 30 September 2021 <i>HK\$'000</i> (unaudited)	As at 31 March 2021 <i>HK\$'000</i> (audited)
Prepayments		
Goods purchased	2,661	593
Administrative and operating expenses	253	777
	2,914	1,370
Deposits		
Rental deposits	189	189
Utility deposits	8	8
	197	197
Other receivables		
Others	11	–
	11	–
	3,122	1,567

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

	As at 30 September 2021 <i>HK\$'000</i> (unaudited)	As at 31 March 2021 <i>HK\$'000</i> (audited)
Measured at fair value		
Short-term cash management funds analysed as current assets	–	10,341

The carrying amounts of the above financial assets are measured at FVTPL in accordance with HKFRS 9.

Fair value is determined with reference to quoted price from financial institution.

The cash management funds was redeemed in April 2021 and July 2021, respectively.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

16. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES

	As at 30 September 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)
Trade payables	9,722	867
Other payables and accruals		
Accrued staff costs	220	424
Accrued administrative and operating expenses	3,149	5,020
Others	28	29
	3,397	5,473
Contract liabilities	902	889
	14,021	7,229

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	As at 30 September 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)
0 to 90 days	9,542	790
91 to 180 days	93	— ⁽ⁱ⁾
Over 180 days	87	77
	9,722	867

The credit period normally ranges from 0 to 60 days.

- (i) Represent the amount less than HK\$1,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

17. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	As at 30 September 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)	As at 30 September 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)
Within one year	746	746	726	716
More than one year, but not exceeding two years	266	586	261	575
More than two years, but not exceeding five years	35	88	35	86
	1,047	1,420	1,022	1,377
Less: Future finance charges	(25)	(43)	N/A	N/A
Present value of lease obligations	1,022	1,377	1,022	1,377
Less: Amount due for settlement within 12 months (shown under current liabilities)			(726)	(716)
Amount due for settlement after 12 months			296	661

It is the Group's policy to lease motor vehicle under finance leases. The lease term is 5 years. At 30 September 2021, the effective borrowing rate was 4.85% (31 March 2021: 4.85%). Interest rate is fixed at the contract date and thus exposes the Group to fair value interest rate risk. Lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the motor vehicle at a nominal price.

All lease liabilities are denominated in HKD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2021

18. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 31 March 2021 (audited) and 30 September 2021 (unaudited)	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 31 March 2021 (audited) and 30 September 2021 (unaudited)	1,000,000,000	10,000

19. 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:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 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)	438	402	870	801

Note: Mr. She is interested in this transaction to the extent that he is the beneficial owner of Pansino Shenzhen.

* For identification purpose only

- (b) The remuneration of Directors and other members of key management was as follows:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Short-term benefits	704	665	1,369	1,330



SATU HOLDINGS LIMITED

舍圖控股有限公司