

Third Quarterly **Report**  
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**第三季度報告**



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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# MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of Directors 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 2021, together with the comparative figures for the corresponding period in 2020.

## BUSINESS REVIEW

The Group was principally engaged in the businesses of homeware export, e-commerce, and sales of our own brand products during the nine months ended 31 December 2021 (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\$113.5 million for the Period, representing a significant increase of approximately 146.2% as compared to that of approximately HK\$46.1 million for the nine months ended 31 December 2020 (the “**Previous Period**”).

The homeware export business was still the Group’s major source of revenue, which contributed approximately 93.7% of the total revenue of the Group during the Period. The revenue of the homeware export business reached approximately HK\$106.4 million, representing a significant increase of approximately 164.7% 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. However, the ordering pattern of one of those customers is not as regular from a year to a year and it may not place the same quantity of orders from the Group in the future. Yet, the gross profit margin of homeware export business decreased from approximately 29.0% in the Previous Period to approximately 20.8% 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\$4.7 million, representing a significant increase of approximately 161.1%, from approximately HK\$1.8 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 by approximately 42.1% 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\$7.4 million as compared to the loss attributable to the owners of the Company of approximately HK\$0.1 million for the Previous Period.

## PROSPECT

The Group expects the operating environment in year 2022 would remain challenging and full of uncertainty. Nevertheless, the Group will continue to widen our product portfolio and customer base in order to attain the improvement 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 revenue of the Group for the Period was approximately HK\$113.5 million, representing a significant increase of approximately 146.2% as compared to that of approximately HK\$46.1 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 the sales of our own brand products during the Period.

### Cost of Sales

The cost of sales of the Group increased by approximately 174.4% from approximately HK\$32.0 million for the Previous Period to approximately HK\$87.8 million for the Period, which was in line with the increase in revenue for the Period.

### Gross Profit

Gross profit increased by approximately 82.3% to approximately HK\$25.7 million for the Period from approximately HK\$14.1 million for the Previous Period. The gross profit margin decreased from approximately 30.6% for the Previous Period to approximately 22.6% for the Period. It was mainly attributable to one of our major customers placing purchase orders with lower gross profit margin during the Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other Income and Net Gains

The other income and net gains of the Group decreased by approximately HK\$0.5 million, from approximately HK\$0.8 million for the Previous Period to approximately HK\$0.3 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 of the Group increased to approximately HK\$9.7 million, representing an increase of approximately 51.6%, from approximately HK\$6.4 million for the Previous Period. It was mainly attributable to the increase in (i) promotion costs; (ii) staff costs; and (iii) product design costs.

## Administrative and Other Operating Expenses

The administrative and other operating expenses of the Group increased by approximately 3.5% from approximately HK\$8.6 million for the Previous Period to approximately HK\$8.9 million for the Period. The increase in administrative and other operating expenses was mainly attributable to the increase in (i) staff costs; and (ii) training costs.

## Finance Costs

The finance costs decreased by approximately HK\$14,000, or representing approximately 35.9%, from approximately HK\$39,000 for the Previous Period to approximately HK\$25,000 for the Period. The decrease was mainly due to the decrease in interest expense on lease liabilities.

## Income Tax Expense

The Group's income tax expenses was approximately HK\$14,000 for the Period. It has decreased as compared to approximately HK\$28,000 for the Previous Period, which was mainly due to the decrease in taxable profit during the Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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\$7.4 million, as compared to the loss for the Previous Period attributable to owners of the Company of approximately HK\$126,000. The turnaround results from loss to profit was mainly attributable to the increase in the gross profit during the Period.

## 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 (the "**Date of Adoption**") 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. From the Date of Adoption 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 in considering the declaration of dividends. The Board resolved not to recommend a payment of any dividend for the Period (Previous Period: Nil).

## SIGNIFICANT EVENT AFTER THE PERIOD

The COVID-19 pandemic (the "**Pandemic**") since early 2020 has impacted the global business and economic environment. The overall financial effect on the Group in the coming financial year cannot be reasonably estimated for the time being as the Pandemic is still ongoing. The management of the Group will be cautious to monitor the development and continue to evaluate its impacts on the business, financial position, cash flows and financial performance of the Group. Save as disclosed above, there was no significant event happened subsequent to the end of the Period and up to the date of this report.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2021.



# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix 15 of the GEM Listing Rules as its own corporate governance code. Pursuant to code provision C.2.1 of the CG Code, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

However, we do not have a separate chairman and chief executive as Mr. She Leung Choi (“**Mr. She**”) currently assumes the role of both chairman and chief executive of the Company. The Board believes that this structure has the benefit of ensuring consistent leadership within the Group and enables a 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 the Company to make and implement management and corporate decisions promptly, efficiently and effectively. The Board will continue to review and consider the need of appointing suitable candidate to assume the role of chief executive when necessary, 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 C.2.1 of the CG Code, the Company has complied with all the applicable code provisions set out in the CG Code 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 standards of dealings as set out in Rules 5.48 to 5.67 to the GEM Listing Rules during the Period (the “**Model Code**”). The Company had made specific enquiry with the Directors and each of the Director has confirmed that he/she has fully complied with the Model Code, and the Company was not aware of any non-compliance with the Model Code 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 31 December 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 31 December 2021, 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 or 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 31 December 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 31 December 2021, none of the Directors nor the chief executive of the Company had registered any interests or 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 D.3.3 and D.3.7 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The unaudited condensed consolidated financial information of the Group for the Period has not been audited or reviewed by the auditor of the Company. 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, 11 February 2022

*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 2021

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
<b>Revenue</b>	4	24,944	15,958	113,527	46,143
Cost of sales		(17,310)	(11,279)	(87,844)	(32,001)
<b>Gross profit</b>		7,634	4,679	25,683	14,142
Other income and net gains	4	103	276	345	821
Selling and distribution expenses		(3,516)	(2,039)	(9,687)	(6,388)
Administrative and other operating expenses		(3,178)	(2,815)	(8,931)	(8,634)
<b>Profit/(loss) from operations</b>		1,043	101	7,410	(59)
Finance costs	5	(8)	(12)	(25)	(39)
<b>Profit/(loss) before tax</b>		1,035	89	7,385	(98)
Income tax expense	6	(4)	81	(14)	(28)
<b>Profit/(loss) for the period attributable to owners of the Company</b>	7	1,031	170	7,371	(126)
<b>Earnings/(loss) per share attributable to owners of the Company</b>					
Basic and diluted	8	HK0.103 cents	HK0.017 cents	HK0.737 cents	HK(0.013) cents

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

For the three months and nine months ended 31 December 2021

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
<b>Profit/(loss) for the period</b>	<b>1,031</b>	170	<b>7,371</b>	(126)
<b>Other comprehensive (expenses)/income:</b> <i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	(27)	8	(47)	3
<b>Other comprehensive income/(expenses) for the period, net of tax</b>	<b>1,004</b>	178	<b>7,324</b>	(123)
<b>Total comprehensive income/(expenses) for the period attributable to owners of the Company</b>	<b>1,004</b>	178	<b>7,324</b>	(123)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Attributable to owners of the Company					(Accumulated losses)/ Retained earnings	Total
	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	-	-	3	-	-	(126)	(123)
At 31 December 2020 (unaudited)	10,000	8	(39)	36,793	(360)	(6,913)	39,489
At 1 April 2021	10,000	8	(80)	36,793	(360)	(14,125)	32,236
Profit and total comprehensive income for the period	-	-	(47)	-	-	7,371	7,324
At 31 December 2021 (unaudited)	10,000	8	(127)	36,793	(360)	(6,754)	39,560



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the three months and nine months ended 31 December 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 and designing of homeware products and e-commerce business.

In the opinion of the Directors, as at 31 December 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 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 2021, except for the adoption of the new, revised and amendments to HKFRSs that are relevant to the Group and effective for accounting periods beginning on or after 1 April 2021. Details of any changes in accounting policies are set out in note 3 to the unaudited condensed consolidated financial information. The preparation of the unaudited condensed consolidated financial information in conformity with HKAS 34 requires the 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.

The unaudited condensed consolidated 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 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2021

## 2. BASIS OF PREPARATION (CONTINUED)

The unaudited condensed consolidated 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 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 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 HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

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.

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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2021

## 4. REVENUE AND SEGMENT INFORMATION

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

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
<b>Revenue</b>				
Sales of homeware products	<b>24,944</b>	15,958	<b>113,527</b>	46,143
<b>Other income and net gains</b>				
Exchange (loss), net	(17)	(53)	(178)	(210)
Interest income	1	20	220	65
Packaging income	21	25	46	82
Sampling income	47	15	151	48
Others	51	269	106	836
	<b>103</b>	276	<b>345</b>	821

### 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 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 2021

## 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Geographical information

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

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue				
United Kingdom	13,784	7,291	28,879	17,269
Denmark	5,320	933	14,490	5,551
Poland	1,055	2,191	2,939	4,884
United States	975	1,804	3,505	4,406
Australia	646	622	49,357	4,253
France	–	963	3,531	3,570
Germany	678	466	2,234	1,447
Others	2,486	1,688	8,592	4,763
	<b>24,944</b>	15,958	<b>113,527</b>	46,143

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

	As at 31 December 2021 HK\$'000 (unaudited)	As at 31 March 2021 HK\$'000 (audited)
Hong Kong	900	1,611
PRC	1,304	1,780
	<b>2,204</b>	3,391

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2021

## 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Information about major customers

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

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Customer A	–*	–*	48,283	–*
Customer B	6,053	888	15,109	5,506
Customer C	4,320	4,796	14,631	11,312

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

## 5. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest on lease liabilities	8	12	25	39

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2021

## 6. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Current tax				
— Hong Kong Profits Tax	4	(78)	12	30
— PRC Enterprise Income Tax (Over)/Under-provision in prior year	—	(3)	2	(2)
	<b>4</b>	<b>(81)</b>	<b>14</b>	<b>28</b>

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, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities established in Hong Kong not qualifying for the two-tiered profit tax rate regime will continue to be taxed at a 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 2021

## 7. PROFIT/(LOSS) FOR THE PERIOD

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

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Auditor's remuneration	140	149	420	448
Cost of homeware products	16,402	8,867	83,407	29,569
Depreciation on right-of-use assets	190	190	571	571
Depreciation on property plant and equipment	196	223	636	651
Foreign exchange loss, net	17	53	178	210
Operating lease charges in respect of:				
— Office premises	443	454	1,313	1,320
— Warehouse	147	117	438	344
Staff costs including Directors' emoluments				
— Salaries, allowances and bonus	2,939	2,053	6,931	5,742
— Retirement benefit scheme contributions	108	76	316	216

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and nine months ended 31 December 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 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
<b>Earnings</b>				
Profit/(loss) attributable to owners of the Company	<b>1,031</b>	170	<b>7,371</b>	(126)
	<b>'000</b>	'000	<b>'000</b>	'000
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of calculation of basic earnings/(loss) per share	<b>1,000,000</b>	1,000,000	<b>1,000,000</b>	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 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 2021

## 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:

	Three months ended 31 December		Nine months ended 31 December	
	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")) <i>(Note)</i>	443	420	1,313	1,221

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 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Short-term benefits	1,186	822	2,555	2,152



SATU HOLDINGS LIMITED

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