

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, 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 announcement.



SATU

SATU HOLDINGS LIMITED

舍圖控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8392)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2019**

The board of directors (the “**Board**”) of Satu Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 30 June 2019. This announcement, containing the full text of the quarterly report of the Company for the three months ended 30 June 2019 (the “**2019/2020 First Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to the information required to accompany the preliminary announcement of unaudited quarterly results. Printed version of the 2019/2020 First Quarterly Report will be delivered to the shareholders of the Company and available for viewing on the websites of GEM at www.hkgem.com and of the Company at www.bnc.cc in due course.

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

Hong Kong, 9 August 2019

As at the date of this announcement, 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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.bnc.cc.

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 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.

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 ended 30 June 2019 (the “**Current Period**”, together with the comparative figures for the corresponding period in 2018 (the “**Previous Period**”).

BUSINESS REVIEW

For the Current Period, the Group continued to focus on the homeware export business. Our customer portfolio is comprised of international brand owners and licensee, chain supermarkets and renowned department stores, with Europe being our major shipment destination. Our Group also sells our own branded products through e-commerce platform.

During the Current Period, the revenue of the export business increased by approximately 27.1%. The increase in revenue of the export business was mainly attributable to the increase in sales from the three major customers. Leveraging on the efforts of our marketing teams, new customers have placed sales orders for the coming months and the Group is also in the course of negotiation with potential new customers. In order to stimulate the consumption from our customers, we developed a series of new products and launched them during the Current Period and we have already received enquiries regarding our new products from our customers.

For the revenue of e-commerce business during the Current Period, it was approximately 5.1% of the Group’s total revenue and recorded the growth of approximately 27.3% as compared to that of the Previous Period. The increase of revenue was mainly attributable to the sales promotion efforts of the Group. Our e-commerce team has continued to improve our business performance by broadening our product lines and implementing effective cost controls, in particular, with respect to the warehouse, logistics and advertising costs.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECT

Some risks still remain. Trade tensions and other political uncertainties could have far-reaching consequences on the global economy and consumer confidence. Yet despite this, our Group is highly confident that we are on the right track towards sustainable growth. In order to elevate our profitability, we are committed to strengthening our cost control measures. Our Group will continuously seize every opportunity to expand our customer base and market share. We look forward to bringing fruitful returns for our shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Current Period was approximately HK\$14.6 million, representing an increase of approximately 27.0% as compared to that of approximately HK\$11.5 million for the Previous Period. The increment of revenue was mainly attributable to the increase in sales orders from three major customers.

Cost of Sales

The Group's cost of sales increased by approximately 34.6% from approximately HK\$8.1 million for the Previous Period to approximately HK\$10.9 million for the Current Period, which was in line with the increase in revenue during the Current Period.

Gross Profit

Gross profit increased by approximately 8.8% from approximately HK\$3.4 million for the Previous Period to approximately HK\$3.7 million for the Current Period, which was mainly due to the increase of sales for the Current Period. The gross profit margin dropped from approximately 29.2% for the Previous Period to approximately 25.4% for the Current Period. It is mainly due to the decrease in sales orders from customers with higher gross profit margin and sales promotion of e-commerce business.

Selling and Distribution Expenses

During the Current Period and the Previous Period, selling and distribution expenses of the Group were relatively stable and maintained at approximately HK\$1.8 million.

Administrative Expenses

The Group's administrative expenses increased by approximately 50.0% from approximately HK\$2.6 million for the Previous Period to approximately HK\$3.9 million for the Current Period. Such increase was mainly due to the increase in salaries and allowances as well as in depreciation of property, plant and equipment.

Income Tax Expense

The Group's income tax expenses was approximately HK\$4,000 for the Current Period, which was mainly generated by several subsidiaries with assessable profit for the Current Period, while no income tax expenses was provided for the Group for the Previous Period.

Loss for the Period

The Group recorded a loss of approximately HK\$1.8 million and HK\$0.8 million for the Current Period and the Previous Period respectively. The increase in loss was mainly attributable to the increase in the depreciation of 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. Excluding the abovementioned depreciation of property, plant and equipment, the loss for the Current Period was approximately HK\$0.7 million, representing a decrease of approximately 12.5% comparing to the loss in the Previous 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 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. No option has been granted up to 30 June 2019 and the date of this report.

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 a payment of any dividend for the Current Period (Previous Period: Nil).

SIGNIFICANT EVENT AFTER THE PERIOD

There has been no significant event that affected the Group after 30 June 2019 and up to the date of this report.

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 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 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 Current 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 had also made specific enquiry with all the Directors 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 Current Period.

OTHER INFORMATION

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

As at 30 June 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 Division 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 will be as follows:

Name of Shareholder	Capacity	Number of 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 30 June 2019, so far as is known by or otherwise notified to the Directors, no other 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.

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 June 2019, the interests or 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 will be as follows:

(i) Interest in the Company

Name of Director	Capacity	Number of 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 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 30 June 2019, none of the Directors nor the chief executive of the Company had 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 therein pursuant to 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 Current 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 30 June 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 Current 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 Current Period.

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

Hong Kong, 9 August 2019

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 ended 30 June 2019

		Three months ended 30 June	
		2019	2018
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue	4	14,570	11,466
Cost of sales		(10,870)	(8,114)
Gross profit		3,700	3,352
Other income and net gains	4	194	204
Selling and distribution expenses		(1,790)	(1,820)
Administrative and other operating expenses		(3,852)	(2,576)
Loss from operations		(1,748)	(840)
Finance costs	5	(5)	(7)
Loss before tax		(1,753)	(847)
Income tax expense	6	(4)	–
Loss for the period attributable to owners of the Company	7	(1,757)	(847)
Loss per share for loss attributable to owners of the Company			
Basic and diluted	8	HK(0.18) cents	HK(0.08) cents

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

For the three months ended 30 June 2019

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Loss for the period	(1,757)	(847)
Other comprehensive income: <i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(8)	(16)
Other comprehensive income for the period, net of tax	(1,765)	(16)
Total comprehensive income for the period attributable to owner of the Company	(1,765)	(863)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2019

	Attributable to owners of the Company						
	Share capital	Share premium	Merger reserve	Other reserve	Foreign currency translation reserve	Retained earnings	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2018	10,000	36,793	(360)	8	(10)	11,467	57,898
Loss and total comprehensive income for the period	-	-	-	-	(16)	(847)	(863)
At 30 June 2018 (unaudited)	10,000	36,793	(360)	8	(26)	10,620	57,035
At 1 April 2019	10,000	36,793	(360)	8	(29)	4,443	50,855
Loss and total comprehensive income for the period	-	-	-	-	(8)	(1,757)	(1,765)
At 30 June 2019 (unaudited)	10,000	36,793	(360)	8	(37)	2,686	49,090

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 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 trading, designing of houseware products and E-commerce business.

In the opinion of the Directors, as at 30 June 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 financial information for the three months ended 30 June 2019 has been prepared in accordance with the applicable disclosure requirement 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, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. 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 ended 30 June 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 Current 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 in the Current 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 ended 30 June 2019

4. REVENUE AND SEGMENT INFORMATION

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

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue		
Sales of homeware products	14,570	11,466
Other income and net gains		
Interest income	102	63
Packaging income	18	19
Sampling income	57	28
Foreign exchange gains, net	–	28
Others	17	66
	194	204

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 considered 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 ended 30 June 2019

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 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue		
United Kingdom	4,441	5,763
Denmark	2,831	1,282
France	1,798	625
Poland	1,791	422
Australia	993	500
United States	824	582
Russia	–	583
Others	1,892	1,709
	14,570	11,466

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

	As at 30 June 2019 HK\$'000 (unaudited)	As at 31 March 2019 HK\$'000 (audited)
	Hong Kong	533
PRC	5,248	6,250
Others	347	384
	6,128	7,225

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 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:

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Customer A	2,519	N/A
Customer B	5,339	3,516
Customer C	1,954	1,545
Customer D	N/A	1,495

5. FINANCE COSTS

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Finance lease charges	5	7
Interest on bank borrowings	–	–
	5	7

6. INCOME TAX EXPENSE

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Current tax — Hong Kong Profits Tax	4	–

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 2019

6. INCOME TAX EXPENSE (CONTINUED)

The Company was incorporated in the Cayman Islands and B & C Industries (BVI) Limited was incorporated in the BVI. They are tax exempted as no business is 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 provided at a rate of 16.5% (Previous Period: 16.5%) on the estimated assessable profit for the Current Period.

On 21 March 2018, the Inland Revenue (Amendment) (No. 7) Bill 2017, which introduces a two-tiered profits tax regime, was substantively enacted. Under the two-tiered profits tax regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25% with effect from the year of assessment 2018/2019. Profits above HK\$2 million will continue to 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 made since the Group did not generate any assessable profits arising in the PRC for the Current Period and the Previous Period.

7. LOSS FOR THE PERIOD

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

	Three months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Cost of homeware products	10,870	8,114
Depreciation	1,126	154
Foreign exchange (gains)/losses, net	99	(28)
Operating lease charges in respect of:		
— Office premises	599	588
— Warehouse	64	—
Staff costs including directors' emoluments		
— Salaries, allowances and bonus	2,022	1,829
— Retirement benefit scheme contributions	105	104

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 2019

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 Current Period of loss of HK\$1,757,000 (Previous Period: loss of HK\$847,000) and the weighted average of 1,000,000,000 ordinary shares in issue during the Current Period and the Previous Period.

Diluted loss per share

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

9. DIVIDENDS

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 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:

	Three months ended 30 June	
	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))	402	418

* For identification purpose only

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

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

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Short-term benefits	732	648