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**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 2020**

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 2020. This announcement, containing the full text of the quarterly report of the Company for the three months ended 30 June 2020 (the “**2020/2021 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 2020/2021 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](http://www.hkgem.com) and of the Company at [www.bnc.cc](http://www.bnc.cc) in due course.

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

Hong Kong, 10 August 2020

*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 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](http://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](http://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 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 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 2020 (the “**Period**”), together with the comparative figures for the corresponding period in 2019 (the “**Previous Period**”).

## BUSINESS REVIEW

The Group is principally engaged in homeware export business as well as the provision of e-commerce business mainly across Europe and the United States. During the first half of 2020, the global business environment was unprecedentedly challenging. With the escalating Sino-U.S. trade tensions and the deepening COVID-19 outbreak across the world, the global economy has fallen into recession. Economic activities were severely disrupted as nationwide lockdowns and various quarantine measures caused business suspension and decline of consumer sentiment. Amid this unfavorable business environment, the Group recorded a decrease in revenue by approximately 17.1% from approximately HK\$14.6 million for the Previous Period to approximately HK\$12.1 million for the Period. However, with the tremendous efforts of our management and marketing team, the loss attributable to owners of the Company decreased from HK\$1.8 million for the Previous Period to HK\$0.2 million for the Period, representing a reduction of approximately 88.9% year-over-year.

Our export business was mostly affected by the business lockdowns and deferred shipments of our European customers. The persistence of stagnant demand resulted in a decrease of approximately 25.1% in revenue in this sector when compared to the Previous Period. In response thereto, our management has taken various measures such as developing higher margin products, for instance, small home appliances and small home furniture. Our efforts have proved successful as the gross profit margin of export business increased from approximately 26.2% in the Previous Period to approximately 31.1% during the Period.

For the revenue of the E-commerce segment, it was approximately 11.0% of the Group’s total revenue in the Period. It recorded a drastic growth of approximately 87.1% in the Period as compared with the Previous Period. The outbreak of COVID-19 has considerably impacted the consumption pattern.

## MANAGEMENT DISCUSSION AND ANALYSIS

As people were keener to stay home, online shopping became the mainstream model and thus boosted our e-commerce sales figures in the Period. At the same time, a higher selling price was set to increase the gross profit margin from approximately 11.3% in the Previous Period to approximately 31.7% in the Period.

Last year we commenced a new project to build up and promote our own brand with the aim to capture new sections of customers. In February 2020, our brand product — French home fragrance had already been launched in the market and soonest contributed approximately 3.0% of our total revenue in the Period. As one of the high profit-making products of the Group, our marketing team believes that this brand project will become more dominant throughout the year.

### PROSPECT

In view of the uncertainty of the global economy and the unparalleled impact of COVID-19 pandemic, the Group expects that the business environment for the coming financial year would remain highly challenging and uncertain. The Group will continue to pursue and maintain a prudent but proactive approach in the business operation. The Directors believe that the Group will gradually overcome the prevailing challenges and continue to develop its business. Nevertheless, the Group will continue to keep track of the COVID-19 development and react proactively to its possible impact on the performance of the Group.

### FINANCIAL REVIEW

#### Revenue

The Group's revenue for the Period was approximately HK\$12.1 million, representing a decline of approximately 17.1% in revenue as compared to that of approximately HK\$14.6 million for the Previous Period. The decrease of revenue was mainly attributable to the deferred shipments and reduction of sales order from three major customers affected by the COVID-19 outbreak.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Cost of Sales

The Group's cost of sales decreased by approximately 24.8% from approximately HK\$10.9 million for the Previous Period to approximately HK\$8.2 million for the Period, which was in line with the decrease in revenue during the Period.

## Gross Profit

Gross profit increased by approximately 5.4% from approximately HK\$3.7 million for the Previous Period to approximately HK\$3.9 million for the Period. The gross profit margin increased from approximately 25.3% for the Previous Period to approximately 32.2% for the Period. It is mainly due to the increase in sales orders from customers with higher gross profit margin.

## Selling and Distribution Expenses

During the Period, selling and distribution expenses decreased from HK\$1.8 million for the Previous Period to approximately HK\$1.7 million. It was mainly attributable to the decrease of staff cost after the restructuring of the e-commerce business operation.

## Administrative Expenses

The Group's administrative expenses decreased by approximately 28.2% from approximately HK\$3.9 million for the Previous Period to approximately HK\$2.8 million for the Period. Such decrease was mainly due to the decrease in depreciation of property, plant and equipment, which is because the renovation of our showroom in the PRC was fully depreciated for the year ended 31 March 2020.

## Income Tax Expense

The Group's income tax expenses was approximately HK\$34,000 for the Period, which was mainly generated by several subsidiaries with assessable profits for the Period, while income tax expenses of the Group was approximately HK\$4,000 for the Previous Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Loss for the Period Attributable to Owners of the Company

The Group recorded a loss for the Period attributable to owners of the Company of approximately HK\$0.2 million, representing a decrease of approximately 88.9% as compared to that of approximately HK\$1.8 million 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. As at 30 June 2020 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 does not recommend a payment of any dividend for the Period (Previous Period: Nil).

## SIGNIFICANT EVENT AFTER THE PERIOD

There has been no significant event that affected the Group after 30 June 2020 and up to the date of this report.

# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE PRACTICES

Pursuant to code provision A.2.1 of the Corporate Governance Code (“**CG Code**”) and Corporate Governance Report in Appendix 15 to the GEM Listing Rules, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. However, we do not have a separate chairman and chief executive, and Mr. She Leung Choi (“**Mr. She**”) currently performs these two roles. 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 the 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 the Company when it is appropriate and suitable, taking into account the management needs and the corporate circumstances of the Group as a whole.

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

## CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company 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 Period.

## OTHER INFORMATION

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

As at 30 June 2020, so far as our Directors are aware, the persons (other than the Directors and chief executive of the Company) who will have or be deemed or taken to have interests and/or short positions in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”), or who were recorded in the register of the Company required to be kept pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the Company’s issued share capital are as follows:

Name of Shareholder	Capacity	Number of ordinary Shares held (Note 1)	Approximate percentage of shareholding
Hearthfire Limited (“ <b>Hearthfire</b> ”)	Beneficial owner	611,250,000 (L) (Note 2)	61.125%
Present Moment Limited (“ <b>Present Moment</b> ”)	Beneficial owner	86,250,000 (L) (Note 3)	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 June 2020, so far as is known by or otherwise notified to the Directors, no other person or entity (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under Section 336 of the SFO or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## 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 June 2020, 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 (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. 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

### (ii) Interest in associated corporations

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

*Note:* The letter “L” denotes a long position in the Director’s interest in the shares of the associated corporation.

Save as disclosed above, as at 30 June 2020, 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 of the GEM Listing Rules and code provisions C.3.3 and C.3.7 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Audit Committee, comprising three independent non-executive Directors, namely Mr. Ho Kim Ching, Mr. Chan Ching Sum Sam and Ms. Fan Pui Shan, has reviewed the accounting standards and policies adopted by the Group and the quarterly report including the unaudited condensed consolidated financial information of the Group for the Period.

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

Hong Kong, 10 August 2020

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

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 30 June 2020

		Three months ended 30 June	
		2020	2019
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
	<i>Notes</i>		
<b>Revenue</b>	4	12,144	14,570
Cost of sales		(8,244)	(10,870)
<b>Gross profit</b>		3,900	3,700
Other income and net gains	4	388	194
Selling and distribution expenses		(1,712)	(1,790)
Administrative and other operating expenses		(2,752)	(3,852)
<b>Loss from operations</b>		(176)	(1,748)
Finance costs	5	(14)	(5)
<b>Loss before tax</b>		(190)	(1,753)
Income tax expense	6	(34)	(4)
<b>Loss for the period attributable to owners of the Company</b>	7	(224)	(1,757)
<b>Loss per share for loss attributable to owners of the Company</b>			
Basic and diluted	8	HK(0.02) cents	HK(0.18) cents

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

For the three months ended 30 June 2020

	Three months ended	
	30 June	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Loss for the period</b>	(224)	(1,757)
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	– <sup>(i)</sup>	(8)
<b>Other comprehensive income for the period, net of tax</b>	(224)	(1,765)
<b>Total comprehensive income for the period attributable to owners of the Company</b>	(224)	(1,765)

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

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2020

	Attributable to owners of the Company						
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	(Accumulated losses)/ Retained earnings <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
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
At 1 April 2020	10,000	36,793	(360)	8	(42)	(6,787)	39,612
Loss and total comprehensive income for the period	-	-	-	-	- <sup>(i)</sup>	(224)	(224)
At 30 June 2020 (unaudited)	10,000	36,793	(360)	8	(42)	(7,011)	39,388

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the three months ended 30 June 2020*

## 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 2020, 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 2020 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 2020, 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 2020. Details of any changes in accounting policies are set out in note 3. The preparation of the unaudited condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 2020

## 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 2020, 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 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

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 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 2020

## 4. REVENUE AND SEGMENT INFORMATION

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

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
<b>Revenue</b>		
Sales of homeware products	12,144	14,570
<b>Other income and net gains</b>		
Interest income	45	102
Packaging income	29	18
Sampling income	24	57
Foreign exchange gains, net others	147	–
Others	143	17
	<b>388</b>	<b>194</b>

### 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 2020

## 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	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue		
United Kingdom	2,760	4,441
Denmark	2,160	2,831
Poland	1,670	1,791
United States	1,606	824
Australia	975	993
Germany	903	175
France	723	1,798
Others	1,347	1,717
	<b>12,144</b>	<b>14,570</b>

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

	As at	
	30 June	31 March
	2020	2020
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Hong Kong	2,014	2,182
PRC	2,249	2,079
Others	204	241
	<b>4,467</b>	<b>4,502</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 2020

## 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	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Customer A	2,160	2,519
Customer B	2,267	5,339
Customer C	N/A <sup>1</sup>	1,954

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

## 5. FINANCE COSTS

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Interest on lease liabilities	14	–
Finance lease charges	–	5
	<b>14</b>	<b>5</b>

## 6. INCOME TAX EXPENSE

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Current tax		
— Hong Kong Profits Tax	32	4
— PRC Enterprise Income Tax under-provision in prior year	2	–
	<b>34</b>	<b>4</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 2020

## 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 was 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 made since the Group did not generate any assessable profits arising in the PRC for either the Period or 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	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Reversal of allowance for slow-moving inventory, net	(19)	(20)
Cost of homeware products	8,263	10,890
Depreciation on right-of-use assets	154	–
Depreciation on property, plant and equipment	252	1,126
Foreign exchange (gain)/losses, net	(147)	99
Operating lease charges in respect of:		
— Office premises	431	599
— Warehouse	112	64
Staff costs including Directors' emoluments		
— Salaries, allowances and bonus	1,838	2,022
— Retirement benefit scheme contributions	64	105

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the three months ended 30 June 2020*

## 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 Period of loss of approximately HK\$224,000 (Previous Period: loss of approximately HK\$1,757,000) and the weighted average of 1,000,000,000 ordinary shares in issue during the Period and the Previous Period.

### Diluted loss per share

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

## 9. DIVIDENDS

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 2020

## 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	
	2020 HK\$'000 (unaudited)	2019 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)	399	402

\* 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	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Short-term benefits	665	642