

SLING GROUP HOLDINGS LIMITED

森浩集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8285

2022

Third Quarterly  
Report





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*This report, for which the directors (the “**Directors**”) of Sling Group 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.*

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the three months and nine months ended 30 September 2022

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2022	2021	2022	2021
		RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<b>Revenue</b>	3	<b>32,035</b>	36,459	<b>72,641</b>	102,358
Cost of sales		<b>(14,867)</b>	(16,933)	<b>(32,690)</b>	(47,656)
<b>Gross profit</b>		<b>17,168</b>	19,526	<b>39,951</b>	54,702
Other revenue and income		<b>646</b>	1,104	<b>1,631</b>	3,849
Government grants		<b>507</b>	—	<b>527</b>	538
Impairment losses on trade and other receivables, net		<b>—</b>	—	<b>(1,440)</b>	(1,634)
Selling and distribution costs		<b>(15,855)</b>	(19,354)	<b>(39,772)</b>	(53,039)
Administrative and other operating expenses		<b>(3,721)</b>	(3,469)	<b>(11,796)</b>	(10,585)
Finance costs		<b>(173)</b>	(112)	<b>(413)</b>	(308)
<b>Loss before income tax</b>	6	<b>(1,428)</b>	(2,305)	<b>(11,312)</b>	(6,477)
Income tax expense	5	<b>—</b>	—	<b>—</b>	(8)
<b>Loss for the period</b>		<b>(1,428)</b>	(2,305)	<b>(11,312)</b>	(6,485)
<b>Other comprehensive income/ (expense)</b>					
<i>Item that may be reclassified subsequently to the profit or loss:</i>					
Exchange differences on translation of financial statements of foreign operations		<b>666</b>	20	<b>1,294</b>	(208)
<b>Total comprehensive expense for the period</b>		<b>(762)</b>	(2,285)	<b>(10,018)</b>	(6,693)



	<i>Notes</i>	Three months ended		Nine months ended	
		30 September		30 September	
		2022	2021	2022	2021
		RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>(Loss)/Profit for the period attributable to:</b>					
Equity holders of the Company		<b>(1,569)</b>	(2,104)	<b>(10,648)</b>	(5,411)
Non-controlling interests		<b>141</b>	(201)	<b>(664)</b>	(1,074)
		<b>(1,428)</b>	(2,305)	<b>(11,312)</b>	(6,485)
<b>Total comprehensive (expense)/ income for the period attributable to:</b>					
Equity holders of the Company		<b>(903)</b>	(2,084)	<b>(9,354)</b>	(5,619)
Non-controlling interests		<b>141</b>	(201)	<b>(664)</b>	(1,074)
		<b>(762)</b>	(2,285)	<b>(10,018)</b>	(6,693)
<b>Loss per share attributable to equity holders of the Company</b>					
Basic and diluted	<i>8</i>	<b>(0.28)</b>	(0.38)	<b>(1.90)</b>	(0.97)



# Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the nine months ended 30 September 2022

	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Put option reserve	Translation reserve	Accumulated losses	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2021										
(Audited)	4,470	35,026	10,520	1,195	(3,658)	1,232	(20,281)	28,504	290	28,794
Loss for the period	–	–	–	–	–	–	(5,411)	(5,411)	(1,074)	(6,485)
<i>Other comprehensive expense:</i>										
Exchange differences on translation of financial statements of foreign operations	–	–	–	–	–	(208)	–	(208)	–	(208)
Total comprehensive expense for the period	–	–	–	–	–	(208)	(5,411)	(5,619)	(1,074)	(6,693)
As at 30 September 2021										
(Unaudited)	4,470	35,026	10,520	1,195	(3,658)	1,024	(25,692)	22,885	(784)	22,101



	Attributable to equity holders of the Company									
	Share capital	Share premium	Capital reserve	Statutory reserve	Put option reserve	Translation reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022 (Audited)	4,470	35,026	10,520	1,195	(3,658)	622	(28,879)	19,296	(1,223)	18,073
Loss for the period	-	-	-	-	-	-	(10,648)	(10,648)	(664)	(11,312)
<i>Other comprehensive income:</i>										
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	1,294	-	1,294	-	1,294
Total comprehensive income/ (expense) for the period	-	-	-	-	-	1,294	(10,648)	(9,354)	(664)	(10,018)
As at 30 September 2022 (Unaudited)	4,470	35,026	10,520	1,195	(3,658)	1,916	(39,527)	9,942	(1,887)	8,055



# Notes to the Unaudited Condensed Consolidated Financial Statements

*For the three months and nine months ended 30 September 2022*

## 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 6 January 2017. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Unit 1, 21st Floor, Yen Sheng Centre, 64 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the design and sale of women’s handbags, small leather goods, luggage and travel goods.

The Company’s immediate and ultimate holding company is Yen Sheng Investment Limited (“**Yen Sheng BVI**”), a company incorporated in the British Virgin Islands and controlled by Mr. Yau Tai Leung Sammy (“**Mr. Sammy Yau**”), Mr. Yau Sonny Tai Nin (“**Mr. Sonny Yau**”), Mr. Yau Frederick Heng Chung (“**Mr. Fred Yau**”), Mr. Yau Nicholas Heng Wah (“**Mr. Nicholas Yau**”) and Ms. Hiang Siu Wei Cecilia (“**Ms. Cecilia Hiang**”).

The Company’s shares are listed on GEM of the Stock Exchange on 16 January 2018.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months and nine months ended 30 September 2022 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.



The unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2021. The accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 December 2021, except for the adoption of the following amended HKFRSs which are effective as of 1 January 2022.

### **Amended HKFRSs that are effective for annual period beginning on 1 January 2022**

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

Except for those mentioned below, the adoption of these amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

### **Annual Improvements to HKFRS Standards 2018–2020**

The Annual Improvements to HKFRS Standards 2018–2020 include a number of amendments to various HKFRSs, which are summarised below.

Amendments to HKFRS 1 provide an option for a subsidiary to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of its parent company (based on the parent company's date of transitions to HKFRSs) if a subsidiary adopts HKFRSs later than its parent company and applies paragraph D16(a) of HKFRS 1.



Amendments to HKFRS 9 clarify that, for the purpose of applying the “10 per cent” test for derecognition of financial liability, the borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

Amendments to illustrative example 13 accompanying HKFRS 16 remove the illustration of the reimbursement of leasehold improvements by the lessor from the example as the example is not clear as to why such payments are not a lease incentive, which in turn remove any potential confusion regarding the treatment of lease incentives that might arise.

Amendments to HKAS 41 remove a requirement to exclude cash flows from taxation when measuring fair value of a biological asset, thereby aligning the fair value measurement requirements in HKAS 41 with those in HKFRS 13.

Amendments to HKFRS 1, HKFRS 9 and HKAS 41 are effective for annual period beginning on or after 1 January 2022. The amendments to HKFRS 16 only regard an illustrative example, so no effective date is stated. The annual improvements have no impact on the unaudited condensed consolidated financial statements.

As at the date of authorisation of the unaudited condensed consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group. The Directors anticipate the adoption of these new and amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for financial asset at fair value through profit or loss (“**FVTPL**”) which is stated at fair value.

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The Company’s functional currency is Hong Kong dollars (“**HK\$**”). The Company’s primary subsidiaries were incorporated in the People’s Republic of China (the “**PRC**”) and these subsidiaries considered Renminbi (“**RMB**”) as their functional currency. As the development and operation of the Group during the periods are within the PRC, the Group determined to present the unaudited condensed consolidated financial statements in RMB, unless otherwise stated.



The preparation of the unaudited condensed consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the accounting policies of the Group. The accounting estimates and assumptions used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 December 2021.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditor, but have been reviewed by the Company's audit committee.

### 3. REVENUE

Revenue represents the fair value of consideration received and receivable from sale of women's handbags, small leather goods, luggage and travel goods by the Group to external customers.

#### Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time through different channels were analysed as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Online retail sales	29,000	33,705	66,982	94,950
Wholesale to online retailers	2,702	2,345	5,028	5,176
Wholesale to offline retailers	75	237	331	1,527
Offline retail sales	258	172	300	705
	<b>32,035</b>	36,459	<b>72,641</b>	102,358



## 4. SEGMENT INFORMATION

The Group's operating activities are attributable to a single reportable and operating segment focusing primarily on the wholesale and retail of women's handbags, small leather goods, luggage and travel goods. This operating segment has been identified on the basis of internal management reports reviewed by the chief operating decision maker (the "CODM"), being the executive directors of the Company. The CODM mainly reviews revenue derived from the wholesale and retail of women's handbags, small leather goods, luggage and travel goods. The CODM reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly other than the entity-wide disclosure, no segment analysis is presented.

### Geographical information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment (including right-of-use assets) and intangible assets ("**specified non-current assets**"). The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment (including right-of-use assets), and the location of the operations to which they are allocated, in the case of intangible assets.

	Three months ended 30 September		Nine months ended 30 September	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Revenue from external customers</b>				
The PRC (excluding Hong Kong)	32,035	36,459	72,641	102,358



	As at 30 September 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
<b>Specified non-current assets</b>		
The PRC (excluding Hong Kong)	3,441	3,778
Hong Kong	—	29
	<b>3,441</b>	<b>3,807</b>

### Information about major customers

During the nine months ended 30 September 2022, none of the Group's customers contributed more than 10% of the Group's revenue (2021: Nil).

## 5. INCOME TAX EXPENSE

PRC Enterprise Income Tax (the "PRC EIT") in respect of the Group's operations in the PRC has been calculated at the rate of 25% (2021: 25%) on the estimated assessable profit for the period arising from the PRC.

	Three months ended 30 September		Nine months ended 30 September	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Current tax</b>				
The PRC EIT	—	—	—	8
	—	—	—	8



## 6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	Three months ended 30 September		Nine months ended 30 September	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Cost of inventories recognised as an expense	14,724	16,749	32,311	47,266
(Reversal)/Write-down of inventories to net realisable value	(761)	—	57	—
Fair value gain on financial assets at FVTPL	(119)	—	(119)	—
Impairment losses on trade and other receivables, net	—	—	1,440	—
Amortisation of intangible assets	52	50	155	152
Depreciation of property, plant and equipment				
— Owned assets	76	105	262	346
— Right-of-use assets	108	106	352	447
Loss on disposal of property, plant and equipment	—	—	—	2
Gain on early termination for lease	—	—	(11)	—
COVID-19-related rent concessions	(15)	—	(53)	—
Staff costs (including directors' emoluments)				
— Salaries, allowances and other benefits	2,042	2,261	6,379	6,513
— Contributions to retirement benefit schemes (note (a))	347	403	991	1,049
Operating lease charges premises:				
— Short-term leases	390	750	1,394	2,131
— Variable lease payments (note (b))	—	—	—	1
Exchange losses/(gains), net	1,658	34	3,029	(318)



Notes:

- (a) During the nine months ended 30 September 2022 and 2021, there are no forfeited contribution be used to reduce the level of employer's contributions. As at 30 September 2022 and 31 December 2021, there are no forfeited contribution available to reduce the contributions payable in the future years.
- (b) The variable lease payments refer to the rentals based on pre-determined percentages to realised sales less the basic rentals of the respective leases.

## 7. DIVIDENDS

The board of directors (the “**Board**”) does not recommend the payment of an interim dividend for the nine months ended 30 September 2022 (2021: Nil).

## 8. LOSS PER SHARE

The calculation of basic loss per share attributable to equity holders of the Company is based on the following:

	Three months ended 30 September		Nine months ended 30 September	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Loss</b>				
Loss for the period attributable to equity holders of the Company	(1,569)	(2,104)	(10,648)	(5,411)
<b>Number of shares</b>				
Weighted average number of ordinary shares (in thousands)	560,000	560,000	560,000	560,000

The weighted average number of ordinary shares used to calculate the basic loss per share of the nine months ended 30 September 2022 and 2021 represents 560,000,000 ordinary shares in issue throughout the periods.

There were no dilutive potential ordinary shares during the nine months ended 30 September 2022 and 2021 and therefore, diluted loss per share equals to basic loss per share.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

During the nine months ended 30 September 2022, the Group achieved a revenue of RMB72.6 million, which represents a decline of 29.0% or RMB29.7 million as compared to the same period of 2021. For the third quarter, the revenue dropped by approximately RMB4.5 million, compared to the same quarter of 2021. The revenue decline among the first quarter, the second quarter and the third quarter compared to the corresponding periods in 2021 were approximately 22.1%, 49.8% and 12.1% respectively.

The main reason for such decline was again attributable to the resurgence of coronavirus (“COVID-19”) in China. A number of large cities, such as Shanghai, were hard hit by implementing strict preventive measures to contain the spread of the virus. For the areas with increasingly infected cases, the Chinese government restricted people and goods movement. People were engaged in frequent testing in their daily lives to fight the COVID-19. Our businesses were halted from March to June. Consumers had little appetite to purchase.

The business situation resumed to normal in July, which allowed the Group to push for marketing activities. The Group worked closely with our preferred fast growing social media to maximize our sale result. With increased online marketing and promotional events, the Group’s livestream shopping sales have steadily increased during July and August, both the distribution of women’s handbag and luggage and travel accessories. The total revenue of these 2 months reached the sale level of comparative months in 2021. The lessor extent of COVID-19 variant outbreak in September once again impacted some cities in China and thus our business. The recovery momentum to certain extent slowed down.

On business wise, online businesses, including online retail sales and wholesale to online retailers, continue to be the principal sale channels, accounting for over 99.1% of total revenue. The distribution of luggage and travel accessories showed improving performance after fine-tuning marketing programs and relocating its office. The revenue in the third quarter exceeds the revenue in the first half of 2022.

In terms of revenue among the brands of ELLE and Jessie & Jane, the distribution mix was approximately 93.6% and 6.4% respectively for the nine months ended 30 September 2022, compared to 83.3% and 16.7% in the same period of 2021.



## FUTURE PROSPECTS

Despite the worst of business downturn arising from the outbreak of COVID-19 appears to be over, there is still uncertainty on the government responsive measures to future small scale COVID-19 outbreak. The uncertainty posts operating hurdle in developing our businesses and executing marketing programs.

The Group strives to enhance flexibility in implementing business plans so as to tackle and seize sale opportunities in the coming months. With the Chinese government is more or less settled, the Group is cautiously optimistic that various governments would be more lenient and open toward future COVID-19 outbreak. The Group anticipates our business recovery would be gradual as reflected by the latest performance in the third quarter.

To prepare for future business opportunities, the Group as a new key distribution partner has started distributing an international brand in August. The Group will adjust our move and approach to test on this new project and explore further business opportunities.

## FINANCIAL REVIEW

### Revenue

The Group's revenue dropped by approximately RMB29.7 million, or 29.0%, from approximately RMB102.4 million for the nine months ended 30 September 2021 to approximately RMB72.6 million for the nine months ended 30 September 2022. For the third quarter, the Group's revenue declined by approximately RMB4.5 million, or 12.3%, from approximately RMB36.5 million for the three months ended 30 September 2021 to approximately RMB32.0 million for the same period in 2022.

### Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately RMB14.7 million, or 26.9%, from approximately RMB54.7 million for the nine months ended 30 September 2021 to approximately RMB40.0 million for the nine months ended 30 September 2022. The reduction was largely attributable to lower revenue by 29.0%, but slightly improved gross profit margin by 1.6% in the period.



Our gross profit margin for the nine months ended 30 September 2022 and 2021 were approximately 55.0% and 53.4% respectively.

## Selling and Distribution Costs

The Group's selling and distribution costs dropped by approximately RMB13.2 million, or 24.9%, from approximately RMB53.0 million for the nine months ended 30 September 2021 to approximately RMB39.8 million for the nine months ended 30 September 2022. The decrease was mainly attributable to lower (i) online shop expenses, (ii) commission, (iii) advertising expenses, (iv) royalty, and (v) transportation. The reduced commission and royalty expenses were linked to revenue decreased.

## Administrative and Other Operating Expenses

The Group's administrative and other operating expenses increased by approximately RMB1.2 million, or 11.3%, from approximately RMB10.6 million for the nine months ended 30 September 2021 to approximately RMB11.8 million for the nine months ended 30 September 2022. The increase was mainly attributable to RMB3.0 million foreign exchange loss. Besides this uncontrollable cost, the Group has been tightly controlling costs in all aspects.

## Income Tax Expense

The Group's income tax expense decreased by approximately RMB8,000 from RMB8,000 for the nine months ended 30 September 2021 to RMB nil for the nine months ended 30 September 2022.

## Loss for the period

The Group's loss increased by approximately RMB4.8 million, or 73.8% from approximately RMB6.5 million for the nine months ended 30 September 2021 to approximately RMB11.3 million for the nine months ended 30 September 2022. The reduced revenue and foreign exchange loss are mainly attributable to the increased operating loss.

## CONTINGENT LIABILITIES

As at 30 September 2022, the Group did not have any significant contingent liabilities.



## SIGNIFICANT INVESTMENTS

As at 30 September 2022, the Group did not hold any significant investments.

## INDEBTEDNESS AND CHARGES ON GROUP'S ASSETS

As at 30 September 2022, the Group did not have any assets pledged to secure general banking facilities.

## FOREIGN CURRENCY EXPOSURE

The Group's businesses are solely operated in China. The sales and purchases are mainly denominated in RMB and customers rarely request to settle our billing by other foreign currencies such as United States dollar or HK\$.

The Directors are of the view that the Group's operations are not subject to significant foreign exchange rate risk. Therefore, no hedging arrangements are made. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

## HUMAN RESOURCES

As at 30 September 2022, the Group had 55 employees (30 September 2021: 62) in Hong Kong and the PRC. We believe that hiring, motivating and retaining qualified employees are crucial to our success as an online and offline distributor. Total staff costs (including Directors' emoluments) were RMB7.4 million for the nine months ended 30 September 2022 (nine months ended 30 September 2021: RMB7.6 million). The remuneration policies of the Group are formulated based on the Group's operating results, employees' individual performance, working experience, respective responsibilities, merit, qualifications and competence, as well as comparable to the prevailing market practice, standards and statistics. The remuneration policies of the Group are reviewed by the management of the Group regularly.

## EVENTS AFTER THE REPORTING DATE

As from 30 September 2022 to the date of this report, save as disclosed in this report, the Board is not aware of any significant events requiring disclosure that have occurred.



## OTHER INFORMATION

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

As at 30 September 2022, the interests and short positions of the Directors and the chief executive of the Company in the Company's shares (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), which were required: (i) 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 are taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred therein (the "Register"); or (iii) pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

#### (i) Long Position in the Shares of the Company

Name of Directors	Capacity/ Nature of Interest	Number of shares held/ interested in	Percentage of shareholding
Mr. Yau Tai Leung Sammy (Note)	Interests held jointly with other persons; Interest in a controlled corporation	291,838,960	52.1141%
Mr. Yau Sonny Tai Nin (Note)	Interests held jointly with other persons; Interest in a controlled corporation	291,838,960	52.1141%

Note: Yen Sheng Investment Limited ("Yen Sheng BVI") was beneficially owned by Mr. Yau Tai Leung Sammy and Mr. Yau Sonny Tai Nin as to approximately 49.3120% and 49.2321%, respectively. By virtue of the SFO, Mr. Yau Tai Leung Sammy and Mr. Yau Sonny Tai Nin are deemed to be interested in all the Shares held by Yen Sheng BVI.



## (ii) Long Position in the Shares of the Associated Corporations

Name of Directors	Position in the associated corporations	Number of shares held	Percentage of interest in the associated corporation
Mr. Yau Tai Leung Sammy	Director of Yen Sheng BVI	493,120	49.31% in Yen Sheng BVI
Mr. Yau Sonny Tai Nin	Director of Yen Sheng BVI	492,321	49.23% in Yen Sheng BVI
Mr. Yau Frederick Heng Chung	Director of Yen Sheng BVI	6,863	0.69% in Yen Sheng BVI

Save as disclosed above, as at 30 September 2022, none of the Directors and the chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the Register, or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.



## B. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

So far as the Directors are aware, as at 30 September 2022, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting Shares:

Name of Shareholders	Long/Short position	Nature of interest	Shares held	Percentage of shareholding
Yen Sheng BVI	Long position	Beneficial owner	291,838,960	52.1141%
Yau Tai Leung Sammy (Note 1)	Long position	Interests held jointly with other persons; interest in a controlled corporation	291,838,960	52.1141%
Chan Yee Ling Elaine (Note 2)	Long position	Interests of spouse	291,838,960	52.1141%
Yau Sonny Tai Nin (Note 1)	Long position	Interests held jointly with other persons; interest in a controlled corporation	291,838,960	52.1141%
Hiang Siu Wei Cecilia (Note 3)	Long position	Interests of spouse	291,838,960	52.1141%
Summit Time Resources Limited	Long position	Beneficial owner	128,161,040	22.8859%
Li Wing Chi Agnes (Note 4)	Long position	Interest in a controlled corporation	128,161,040	22.8859%
Lee Shui Kwai Victor (Note 5)	Long position	Interests of spouse	128,161,040	22.8859%



## Notes:

1. Yen Sheng BVI was beneficially owned by Mr. Yau Tai Leung Sammy and Mr. Yau Sonny Tai Nin as to approximately 49.3120% and 49.2321%, respectively. By virtue of the SFO, Mr. Yau Tai Leung Sammy and Mr. Yau Sonny Tai Nin are deemed to be interested in all the Shares held by Yen Sheng BVI.
2. Ms. Chan Yee Ling Elaine is the spouse of Mr. Yau Tai Leung Sammy. By virtue of the SFO, Ms. Chan Yee Ling Elaine is deemed to be interested in all the Shares held by Mr. Yau Tai Leung Sammy.
3. Ms. Hiang Siu Wei Cecilia is the spouse of Mr. Yau Sonny Tai Nin. By virtue of the SFO, Ms. Hiang Siu Wei Cecilia is deemed to be interested in all the Shares held by Mr. Yau Sonny Tai Nin.
4. Summit Time Resources Limited was wholly owned by Ms. Li Wing Chi Agnes. By virtue of the SFO, Ms. Li Wing Chi Agnes is deemed to be interested in all the Shares held by Summit Time Resources Limited.
5. Mr. Lee Shui Kwai Victor is the spouse of Ms. Li Wing Chi Agnes. By virtue of the SFO, Mr. Lee Shui Kwai Victor is deemed to be interested in all the Shares held by Ms. Li Wing Chi Agnes.

Save as disclosed above, as at 30 September 2022, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## DIVIDENDS

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2022 (2021: Nil).



## SHARE OPTION SCHEME

The Company has a share option scheme which was approved and adopted by the shareholders of the Company by way of the written resolution passed on 15 December 2017 (the **“Share Option Scheme”**). No share option has been granted, exercised, lapsed or cancelled under the Share Option Scheme since its adoption and there was no share option outstanding as at 30 September 2022.

## NON-COMPETITION UNDERTAKING BY THE CONTROLLING SHAREHOLDERS

Each of the controlling Shareholders, namely Yen Sheng BVI, Mr. Yau Sonny Tai Nin, Mr. Yau Tai Leung Sammy, Mr. Yau Frederick Heng Chung, Mr. Yau Nicholas Heng Wah and Ms. Hiang Siu Wei Cecilia, entered into the Non-Competition Undertaking in favour of the Company on 15 December 2017, details of which have been set out in the prospectus of the Company dated 29 December 2017 (the **“Prospectus”**).

## PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company’s listed securities during the nine months ended 30 September 2022.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group did not have other future plans for material investments or capital assets as at 30 September 2022.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the nine months ended 30 September 2022, the Group did not have any material acquisitions nor disposals of subsidiaries and affiliated companies.



## CORPORATE GOVERNANCE

The Group is committed to ensuring high standards of corporate governance and business practices. The Company's corporate governance practices are based on the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 of the GEM Listing Rules. During the nine months ended 30 September 2022, the Company has complied with the applicable code provisions of the CG Code.

## DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

None of the Directors and controlling shareholders of the Company or any of their respective close associates as defined in the GEM Listing Rules has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or had any other conflict of interests with the Group during the nine months ended 30 September 2022.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct (the "**Code of Conduct**") regarding securities transactions by the Directors. The Company has confirmed, having made specific enquiry of the Directors that all the Directors have complied with the Code of Conduct for the nine months ended 30 September 2022 and up to the date of this report.

## AUDIT COMMITTEE

The Company had established the Audit Committee on 15 December 2017 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Company, make recommendations to the Board on the appointment, reappointment and removal of the independent auditor, and review the Company's financial information.



The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Won Chik Kee (chairman of the Audit Committee), Mr. Feng Dai and Ms. Sit Ting Fong. It has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing and financial reporting matters, including review of the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2022.

By order of the Board  
**Sling Group Holdings Limited**  
**Yau Frederick Heng Chung**  
*Chairman*

Hong Kong, 10 November 2022

*As at the date of this report, the executive Directors are Mr. Yau Frederick Heng Chung (Chairman) and Mr. Lee Tat Fai Brian; the non-executive Directors are Mr. Yau Sonny Tai Nin and Mr. Yau Tai Leung Sammy; and the independent non-executive Directors are Mr. Won Chik Kee, Mr. Feng Dai and Ms. Sit Ting Fong.*

