



Interim Report 2023/2024

SATU HOLDINGS LIMITED
舍圖控股有限公司

Incorporated in the Cayman Islands with limited liability

Stock Code: 8392



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. She Leung Choi
(*Chairman and
Chief Executive Officer*)

Ms. Chan Lai Yin
Mr. She Leung Ngai Alex

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

COMPANY SECRETARY

Ms. Tsang Lee Mei

AUTHORIZED REPRESENTATIVES

Mr. She Leung Choi
Ms. Tsang Lee Mei

COMPLIANCE OFFICER

Mr. She Leung Choi

REGISTERED OFFICE

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

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

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

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

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



CORPORATE INFORMATION

LEGAL ADVISER

As to Hong Kong Law
ONC Lawyers
19th Floor
Three Exchange Square
8 Connaught Place
Central
Hong Kong

COMPANY'S WEBSITE

www.satuhome.com

STOCK CODE

8392

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2023 (the “**Period**”), together with the comparative figures for the corresponding period in 2022 (the “**Previous Period**”).

BUSINESS REVIEW

The Group was principally engaged in the businesses of homeware export, e-commerce, and sales of own brand products during the Period. Our homeware customers are comprised of international brand owners and licensees, chain supermarkets and renowned department stores mainly in Europe. The total revenue of the Group was approximately HK\$22.6 million for the Period, representing a significant decrease of approximately 40.1% as compared to that of approximately HK\$37.7 million for the Previous Period.

The homeware export business was still the Group’s major source of revenue, which contributed approximately 88.8% of the total revenue of the Group during the Period. The revenue of the homeware export business was approximately HK\$20.1 million, representing a significant decrease of approximately 40.4% comparing that of the Previous Period. The dropped of homeware export sales was mainly attributable to the decrease in sales orders from European customers for the Period. Moreover, the gross profit margin of homeware export business decreased from approximately 32.8% in the Previous Period to approximately 30.2% in the Period. It is mainly attributable to two major customers placing orders on products with lower gross profit margin during the Period.

The revenue of e-commerce business dropped to approximately HK\$1.7 million, representing a decline of approximately 22.7%, from approximately HK\$2.2 million in the Previous Period. The revenue of our own brand products for the Period was approximately HK\$0.9 million, representing an decrease of approximately 52.6%, as compared to that of approximately HK\$1.9 million in the Previous Period. The e-commerce business and our own brand products contributed approximately 7.4% and 3.8% of the total revenue of the Group during the Period.



MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the Group recorded a loss attributable to the owners of the Company of approximately HK\$3.8 million as compared to a profit attributable to the owners of the Company of approximately HK\$0.9 million for the Previous Period.

PROSPECT

Our homeware export customers comprise of international brand owners and licensees, chain supermarkets and renowned department stores mainly in Europe. High level of inflation, the prolonged regional military conflicts in Europe and global economic slowdown were the main unfavorable factors which put pressure on the consumers' market, especially in Europe. Any deterioration of the economic and volatile consumption sentiment may have negative impact on our homeware export business. The Group anticipates the operating environment in the second half year of the fiscal year 2024 would remain challenging with a substantial degree of uncertainty. Nevertheless, the Group will continue to introduce a greater variety of products, diversify its sales networks and customer base in order to maximise our revenue and profitability.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the Period was approximately HK\$22.6 million, representing a significant decrease of approximately 40.1% as compared to that of approximately HK\$37.7 million for the Previous Period. Such decline in revenue was primarily due to the decrease in sales orders from the customers in homeware export business and revenue generated by own brand products during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

The cost of sales of the Group significant decreased by approximately 37.6% from approximately HK\$25.0 million for the Previous Period to approximately HK\$15.6 million for the Period, which was in line with the decrease in revenue for the Period.

Gross Profit

Gross profit decreased by approximately 44.9% to approximately HK\$7.0 million for the Period from approximately HK\$12.7 million for the Previous Period. The gross profit margin decreased from approximately 33.7% for the Previous Period to approximately 31.0% for the Period. It was mainly attributable to two major customers in homeware export business placing orders on products with lower gross profit margin during the Period.

Other Income and Net Gains

The other income and net gains of the Group slightly decreased by approximately HK\$50,000, from approximately HK\$612,000 for the Previous Period to approximately HK\$562,000 for the Period. The decrease was primarily due to the absence of non-recurring government subsidy under the Employment Support Scheme, which was partially offset by the increase of interest income from time deposit in bank during the Period.

Selling and Distribution Expenses

The selling and distribution expenses of the Group decreased by approximately 16.1% from approximately HK\$6.2 million for the Previous Period to approximately HK\$5.2 million for the Period. The decrease in selling and distribution expenses was mainly attributable to the decrease in (i) staff cost expenses; and (ii) freight and transportation charges.

Administrative Expenses

The administrative expenses of the Group was maintained at approximately HK\$6.1 million for the Period from the Previous Period.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

The finance costs increased by approximately HK\$17,000, or increased by approximately 2.1 times, from approximately HK\$8,000 for the Previous Period to approximately HK\$25,000 for the Period. The increase was mainly due to the increase in interest expense on lease liabilities during the Period.

Income Tax Expense

The income tax expense of the Group was approximately HK\$6,000 for the Period, which decreased by approximately 93.9% as compared to that of approximately HK\$98,000 for the Previous Period, which was mainly due to the absence of under-provision of the PRC Enterprise Income Tax expenses in the prior year.

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

After taking into account of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately HK\$3.8 million for the Period, as compared to a profit attributable to owners of the Company of approximately HK\$0.9 million for the Previous Period. The turnaround from profit to loss during the Period was mainly attributable to the decrease in revenue and gross profit during the Period.

LIQUIDITY, FINANCIAL RESOURCES AND INDEBTEDNESS

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

As at 30 September 2023, the Group had bank and cash balances of approximately HK\$18.2 million (31 March 2023: approximately HK\$26.0 million). As at 30 September 2023, the Group's indebtedness comprised lease liabilities of approximately HK\$0.7 million (31 March 2023: approximately HK\$1.1 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Gearing ratio is calculated based on total debts divided by total equity and multiplied by 100%. As at 30 September 2023, the gearing ratio was approximately 2.9%, which decreased by approximately 0.8 percentage points as compared to that of approximately 3.7% as at 31 March 2023. It is mainly due to the repayment and the amortisation of lease liabilities.

As at 30 September 2023, the Group's total assets amounted to approximately HK\$29.2 million (31 March 2023: approximately HK\$36.3 million) and net assets amounted to approximately HK\$25.5 million (31 March 2023: approximately HK\$29.1 million).

As at 30 September 2023, current ratio and quick ratio of the Group increased to approximately 7.9 and 7.4 respectively, as compared to that of approximately 5.1 and 4.9 respectively as at 31 March 2023.

SEGMENTAL INFORMATION

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

LISTING AND USE OF PROCEEDS FROM THE SHARE OFFER

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

From the Listing Date to 30 September 2023, the net proceeds from the Listing were utilised for the intended purposes as set out in the Prospectus under the section headed “Future Plans and Use of Proceeds” and the announcement for the reallocation and change in use of proceeds of the Company dated 19 March 2020 (the “**Announcement**”).



MANAGEMENT DISCUSSION AND ANALYSIS

An analysis of the amount utilised out of the net proceeds up to 30 September 2023 is set out below:

	Planned use of net proceeds (HK\$ million)	Revised planned use of net proceeds ⁽ⁱ⁾ (HK\$ million)	Amount utilised during the Period (HK\$ million)	Utilised net proceeds up to 30 September 2023 (HK\$ million)	Remaining net proceeds as at 30 September 2023 (HK\$ million)	Expected timeline for the use of the remaining net proceeds ⁽ⁱⁱ⁾	Comparison between business objectives with actual business progress up to 30 September 2023
Broaden the existing customer base, increase market share in the existing target markets and expand into new markets	13.2	(7.3)	-	(5.9)	-	-	
Enhance design and development capabilities	4.7	-	-	(2.3)	2.4	On or before 31 March 2024	(iii)
Enhance our quality assurance capabilities	4.7	-	-	(4.7)	-	-	
Enhance brand recognition and awareness and promote corporate reputation	6.3	7.3	-	(13.6)	-	-	
General working capital	2.4	-	-	(2.4)	-	-	
Total	31.3	-	-	(28.9)	2.4		

- (i) On 19 March 2020, the Board resolved to reallocate the unutilised net proceeds in an amount of approximately HK\$7.3 million for establishing one liaison office in each of Europe and the US, acquiring office equipment to operate the liaison offices and recruitment and retaining certain staff to enhance the Company's brand recognition and awareness. For further details, please refer to the Announcement.
- (ii) The expected timeline for utilising the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on current and future development of market conditions.
- (iii) The Company has not yet utilised the proceeds in upgrading the existing design software and purchasing new design software as planned in the amount of approximately HK\$2.4 million. The Company is exploring the appropriate design software for our business before the utilisation of the allocated net proceeds.

MANAGEMENT DISCUSSION AND ANALYSIS

There has been a delay in the use of the net proceeds in enhancing design and development capabilities since the Board postponed the expansion plan previously due to the outbreak of the Pandemic. Since the previous timeline for utilisation of the net proceeds was postponed, the subsequent utilisation timeline was delayed accordingly.

The remaining unused net proceeds as at 30 September 2023 were placed as bank balances with licensed bank in Hong Kong and will be applied in the manner consistent with the proposed allocations set out in the Prospectus and the Announcement.

HUMAN RESOURCES

As at 30 September 2023, the Group had a total of 37 (as at 30 September 2022: 37) full-time employees (including three executive Directors). The total employee benefit expenses (including Directors' emoluments) for the Period amounted to approximately HK\$4.4 million (Previous Period: approximately HK\$4.5 million). The Group determines the remuneration of its employees based on, among other factors, each employee's qualifications, experience and past performance. The remuneration package of employees are reviewed on a regular basis.

The Group recognises the importance of having good relationship with our employees, and believes our working environment and employee development opportunities have contributed to the Group's good employee relations and employee retention. The Group recruits our employees based on a number of factors such as their working experience, educational background and our needs. Apart from salary payments, other staff benefits include mandatory provident fund contributions, medical insurance coverage, discretionary bonus and share options which may be granted under the share option scheme adopted by the Company. The remuneration committee will regularly review and make recommendations to the Board on the overall remuneration policy, compensation package and structure for our Directors and senior management. The Group also provides induction training to new staff and regular trainings to staff when necessary.



MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY EXPOSURE

The Group is exposed to currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong Dollars (“**HK\$**”), Renminbi (“**RMB**”), British Pound and United States Dollars (“**USD**”). The Group’s sales and purchases are primarily denominated and settled in USD. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities but would monitor the foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise. During the Period, the Group did not enter into any transactions which have been hedged by currency borrowing and other hedging instruments.

SHARE OPTION SCHEME

The Company’s share option scheme (the “**Share Option Scheme**”) was adopted pursuant to a resolution of the then shareholders of the Company on 22 September 2017 (the “**Date of Adoption**”) to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. From the Date of Adoption and up to the date of this report, no option had been granted or agreed to be granted, lapsed, exercised, or cancelled and there were no outstanding share options under the Share Option Scheme as at 30 September 2023.

PLEDGE OF ASSETS

The finance lease obligation as at 30 September 2023 was secured against a motor vehicle. There was no carry amount of the motor vehicle as at 30 September 2023 and 31 March 2023. Save as disclosed above, there were no assets of the Group being pledged as security as at 30 September 2023.

CAPITAL COMMITMENTS

As at 30 September 2023, the Group did not have any material capital commitments (31 March 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

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

As at 30 September 2023 and the date of this report, the issued share capital of the Company was HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each.

CONTINGENT LIABILITIES

As at 30 September 2023, the Group did not have any material contingent liabilities (31 March 2023: Nil).

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

SIGNIFICANT INVESTMENTS HELD, FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no significant investment held as at 30 September 2023. There was no other plan for material investments or capital assets as at 30 September 2023.

DIVIDENDS

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

SIGNIFICANT EVENTS

The Directors are not aware of any significant event happened subsequent to 30 September 2023 and up to the date of this report which requires disclosure.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

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

However, the Company does not have a separate chairman and chief executive as Mr. She Leung Choi (“**Mr. She**”) currently assumes the roles of both chairman and chief executive of the Company. The Board believes that this structure has the benefit of ensuring consistent leadership within the Group and enables a more effective and efficient overall strategic planning for the Group. Since there are three independent non-executive Directors (“**INEDs**”) in the Board, 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 and there is sufficient checks and balances from the INEDs. The Board will continue to review and consider the need of appointing suitable candidate to assume the role of chief executive when necessary, taking into account the management needs and the corporate circumstances of our Group as a whole.

Save as the deviation from the code provision of C.2.1 of the CG Code disclosed above, the Company has complied with all the applicable code provisions set out in the CG Code during the Period.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards of dealings as set out in Rules 5.48 to 5.67 to the GEM Listing Rules (the “**Model Code**”) during the Period. The Company had made specific enquiry with the Directors and each of the Director has confirmed that he/she has fully complied with the Model Code, and the Company was not aware of any non-compliance with the Model Code by the Directors during the Period.

OTHER INFORMATION

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

As at 30 September 2023, 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which will be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

(i) Interest in the Company

Name of Director	Capacity	Number of ordinary Shares held <i>(Note 1)</i>	Approximate percentage of shareholding
Mr. She	Interest of controlled corporation	611,250,000 (L) <i>(Note 2)</i>	61.125%
Ms. Chan Lai Yin ("Ms. Chan")	Interest of controlled corporation	86,250,000 (L) <i>(Note 3)</i>	8.625%

Notes:

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



OTHER INFORMATION

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

(ii) Interest in associated corporations

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

Note: The letter "L" denotes a long position in the Director's interest in the shares of the associated corporation.

Save as disclosed above, as at 30 September 2023, none of the Directors nor the chief executive of the Company had registered any interests or short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register referred to in Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

OTHER INFORMATION

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

As at 30 September 2023, so far as our Directors are aware, the persons (other than the Directors and chief executive of the Company as disclosed above) 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 SFO, or who were recorded in the register of the Company required to be kept pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the Company's issued share capital are as follows:

Name of Shareholder	Capacity	Number of ordinary Shares held <i>(Note 1)</i>	Approximate percentage of shareholding
Hearthfire Limited	Beneficial owner	611,250,000 (L) <i>(Note 2)</i>	61.125%
Present Moment Limited	Beneficial owner	86,250,000 (L) <i>(Note 3)</i>	8.625%

Notes:

1. The letter "L" denotes a long position in the shareholder's interest in the Shares.
2. Hearthfire Limited 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 Limited.
3. Present Moment Limited 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 Limited.

Save as disclosed above, as at 30 September 2023, so far as is known by or otherwise notified to the Directors, no other person or entity (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under Section 336 of the SFO or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.



OTHER INFORMATION

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 and up to the date of this report.

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 and up to the date of this report.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rules 5.28 and 5.29 to the GEM Listing Rules and code provisions D.3.3 and D.3.7 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The unaudited condensed consolidated interim financial information of the Group for the Period has not been audited or reviewed by the auditor of the Company. The Audit Committee, comprising three independent non-executive Directors, namely Mr. Ho Kim Ching, Mr. Chan Ching Sum Sam and Ms. Fan Pui Shan, has reviewed the accounting standards and policies adopted by the Group and the interim report including the unaudited condensed consolidated interim financial information of the Group for the Period.

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

Hong Kong, 13 November 2023

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and six months ended 30 September 2023

	Notes	Three months ended 30 September		Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	4	10,598	20,328	22,565	37,732
Cost of sales		(7,362)	(13,536)	(15,562)	(25,024)
Gross profit		3,236	6,792	7,003	12,708
Other income and net gains	4	331	394	562	612
Selling and distribution expenses		(2,257)	(3,761)	(5,224)	(6,216)
Administrative expenses		(3,047)	(3,078)	(6,143)	(6,121)
(Loss)/profit from operations		(1,737)	347	(3,802)	983
Finance costs	5	(11)	(4)	(25)	(8)
(Loss)/profit before tax		(1,748)	343	(3,827)	975
Income tax expense	6	(2)	(90)	(6)	(98)
(Loss)/profit for the period attributable to owners of the Company	7	(1,750)	253	(3,833)	877
(Loss)/earnings per share attributable to owners of the Company					
Basic and diluted	8	HK(0.175) cents	HK0.025 cents	HK(0.383) cents	HK0.088 cents



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

For the three months and six months ended 30 September 2023

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
(Loss)/profit for the period	(1,750)	253	(3,833)	877
Other comprehensive income: <i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	65	78	244	127
Other comprehensive income for the period, net of tax	(1,685)	331	(3,589)	1,004
Total comprehensive income for the period attributable to owners of the Company	(1,685)	331	(3,589)	1,004

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	301	649
Right-of-use assets	11	709	992
		1,010	1,641
Current assets			
Inventories	12	1,840	1,560
Trade and bills receivables	13	6,771	5,526
Prepayments and deposits	14	1,354	1,479
Bank and cash balances		18,209	26,044
		28,174	34,609
Current liabilities			
Trade payables	15	1,471	1,900
Other payables and accruals	15	1,228	3,841
Contract liabilities	15	238	338
Lease liabilities	16	636	671
Current tax liabilities		8	3
		3,581	6,753
Net current assets		24,593	27,856
Non-current liabilities			
Lease liabilities	16	103	408
NET ASSETS		25,500	29,089
Capital and reserves			
Share capital	17	10,000	10,000
Reserves		15,500	19,089
TOTAL EQUITY		25,500	29,089



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Attributable to the owners of the Company					(Accumulated losses)/ Retained earnings	Total equity
	Share capital	Other reserve	Foreign currency translation reserve	Share premium	Merger reserve		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022	10,000	8	(127)	36,793	(360)	(10,770)	35,544
Profit and total comprehensive income for the period	-	-	127	-	-	877	1,004
At 30 September 2022 (unaudited)	10,000	8	-	36,793	(360)	(9,893)	36,548
At 1 April 2023	10,000	8	11	36,793	(360)	(17,363)	29,089
Loss and total comprehensive income for the period	-	-	244	-	-	(3,833)	(3,589)
At 30 September 2023 (unaudited)	10,000	8	255	36,793	(360)	(21,196)	25,500

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Net cash used in operating activities	(8,112)	(6,688)
Net cash generated from/(used in) investing activities	373	(274)
Net cash used in financing activities	(340)	(365)
Effect of foreign exchange rate changes	244	127
Net decrease in cash and cash equivalents	(7,835)	(7,200)
Cash and cash equivalents at 1 April	26,044	32,265
Cash and cash equivalents at 30 September	18,209	25,065
Analysis of cash and cash equivalents Bank and cash balances	18,209	25,065



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

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 Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. The principal place of business of the Company 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 Company and its subsidiaries (collectively the “**Group**”) now comprising the Group are principally engaged in trading and designing of homeware products and e-commerce business.

In the opinion of the Directors, as at 30 September 2023, Hearthfire Limited, a company incorporated in the British Virgin Islands (the “**BVI**”) is the immediate and ultimate parent, and Mr. She who wholly owns Hearthfire Limited and is a director of the Company, is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the Period has been prepared in accordance with the applicable disclosure 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

2. BASIS OF PREPARATION (CONTINUED)

The unaudited condensed consolidated interim financial information have been prepared in accordance with the same accounting policies adopted in the audited financial statements for the year ended 31 March 2023, 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 2023. Details of any changes in accounting policies are set out in note 3 to the unaudited condensed consolidated interim financial information. The preparation of the unaudited condensed consolidated interim financial information 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.

The unaudited condensed consolidated interim financial information contains selected explanatory notes which include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the consolidated financial statements for the year ended 31 March 2023. The unaudited condensed consolidated interim financial information and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with the HKFRSs.

The unaudited condensed consolidated interim financial information have been prepared under the historical cost convention unless otherwise mentioned. The unaudited condensed consolidated interim financial information are unaudited but has been reviewed by the audit committee of the Company.

This unaudited condensed consolidated interim financial information are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (“**HK\$’000**”) unless otherwise indicated.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2023, as described in those annual financial statements. In the Period, the Group has applied the following amendments issued by the HKICPA for the first time, which are effective for the financial period beginning on 1 April 2023.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

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

The Group has not early adopted any new or revised HKFRSs that have been issued but are not yet effective in the unaudited condensed consolidated interim financial information.

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

4. REVENUE AND SEGMENT INFORMATION

Revenue and other income and net gains recognised during the period are as follows:

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue				
Sales of homeware products	10,598	20,328	22,565	37,732
Other income and net gains				
Government grants ^(Note)	–	190	–	302
Interest income	221	88	391	94
Packaging and tooling income	15	22	34	42
Sampling and design income	9	40	18	72
Others	86	54	119	102
	331	394	562	612

Note: The amount solely represented the subsidy income from the Employment Support Scheme launched by the Hong Kong SAR Government.

Segment information

The executive Directors of the Company, being the chief operating decision maker, regularly review revenue analysis by customers and by locations. The executive Directors of the Company consider the operating activities of designing and trading of homeware products as a single operating segment. The operating segment has been identified with reference to the internal management reports prepared and is regularly reviewed by the executive Directors of the Company. The executive Directors of the Company review the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation. Accordingly, no analysis of this single operating segment is presented.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

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 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue				
United Kingdom	3,339	1,526	5,188	3,198
Denmark	1,291	10,699	4,153	15,782
France	1,228	1,168	2,817	2,402
Germany	1,690	561	2,708	1,371
United States	771	3,411	2,466	7,895
Poland	1,104	463	1,724	2,094
Switzerland	251	217	890	443
PRC	371	953	865	1,892
Italy	69	329	651	443
Australia	135	631	486	1,655
Others	349	370	617	557
	10,598	20,328	22,565	37,732

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

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

	As at 30 September 2023 <i>HK\$'000</i> (unaudited)	As at 31 March 2023 <i>HK\$'000</i> (audited)
Hong Kong	783	1,105
PRC	227	536
	1,010	1,641



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information about major customers

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

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Customer A	3,283	2,289	6,220	5,589
Customer B	1,291	10,543	3,983	15,439
Customer C	–	2,140	N/A ¹	5,326

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest on lease liabilities	11	4	25	8

6. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Current tax				
– Hong Kong Profits Tax				
Provision for the period	2	3	5	10
– PRC Enterprise Income Tax				
Under-provision in prior year	–	86	–	86
Provision for the period	–	1	1	2
	2	90	6	98



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

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

Pursuant to the PRC EIT Law and the respective regulations, the subsidiaries which operate in the Mainland China are subject to corporate income tax at a rate of 25% on the taxable income. Preferential tax treatment is available to the Group's PRC subsidiaries.

According to the Enterprise Income Tax Law and the Implementation of the Enterprise Income Tax Law of the PRC, an entity eligible as a Small Low-profit Enterprise is subject to preferential tax treatments phase 2 in which a Small Low-profit Enterprise with annual taxable income not more than RMB1,000,000 is subject to Enterprise Income Tax calculated at 25% of its taxable income at a tax rate of 20%. Satu Fashion Products (Shenzhen) Company Limited* (舍圖時尚用品 (深圳) 有限公司) is eligible as a Small Low-profit Enterprise and is subject to the relevant preferential tax treatments.

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.

* For identification purposes only

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

7. (LOSS)/PROFIT FOR THE PERIOD

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

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Auditor's remuneration	152	148	305	295
Reversal of allowance for slowing-moving inventory, net (included in cost of sales)	–	–	–	(4)
Cost of homeware products	6,395	12,157	13,781	22,338
Depreciation on right-of-use assets	141	191	283	381
Depreciation on property, plant and equipment	181	372	363	593
Foreign exchange loss, net	55	141	359	99
Short-term lease charges in respect of:				
— Office premises	403	428	828	878
— Retail shop	139	177	273	330
— Warehouse	135	140	273	288
Staff costs including Directors' emoluments				
— Salaries and allowances	2,079	2,208	4,128	4,191
— Discretionary bonuses	3	–	8	68
— Retirement benefit scheme contributions	134	139	266	261



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

8. (LOSS)/EARNINGS PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
(Loss)/earnings				
(Loss)/profit attributable to owners of the Company	(1,750)	253	(3,833)	877
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purpose of calculation of basic (loss)/earnings per share	1,000,000	1,000,000	1,000,000	1,000,000

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

9. DIVIDENDS

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired approximately HK\$18,000 of property, plant and equipment (Previous Period: HK\$0.4 million). No additions to property, plant and equipment during the Period (Previous Period: Nil) was financed by finance lease.

11. RIGHT-OF-USE ASSETS

	Leased property <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2022	463	84	547
Depreciation	(309)	(72)	(381)
At 30 September 2022 (unaudited)	154	12	166
At 1 April 2023	992	–	992
Depreciation	(283)	–	(283)
At 30 September 2023 (unaudited)	709	–	709



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

12. INVENTORIES

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Raw materials	242	352
Finished goods	3,195	2,875
	3,437	3,227
Allowance for inventories	(1,597)	(1,667)
	1,840	1,560

As at 30 September 2023, the carrying values of inventories are approximately HK\$1,840,000 (31 March 2023: approximately HK\$1,560,000), which are net of provision of obsolete and slow-moving inventories of approximately HK\$1,597,000 (31 March 2023: approximately HK\$1,667,000).

13. TRADE AND BILLS RECEIVABLES

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Trade receivables	2,499	3,649
Bills receivables	4,272	1,877
	6,771	5,526

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

13. TRADE AND BILLS RECEIVABLES (CONTINUED)

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

	As at 30 September 2023 <i>HK\$'000</i> (unaudited)	As at 31 March 2023 <i>HK\$'000</i> (audited)
0 to 30 days	1,829	3,708
31 to 60 days	2,566	386
61 to 120 days	2,333	1,432
Over 120 days	43	–
	6,771	5,526

The Group does not hold any collateral as security or other credit enhancements over these balances.

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

	As at 30 September 2023 <i>HK\$'000</i> (unaudited)	As at 31 March 2023 <i>HK\$'000</i> (audited)
USD	6,677	5,420
RMB	75	87
Others	19	19
	6,771	5,526



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

14. PREPAYMENT AND DEPOSITS

	As at 30 September 2023 <i>HK\$'000</i> (unaudited)	As at 31 March 2023 <i>HK\$'000</i> (audited)
Prepayments		
Goods purchased	753	552
Administrative and operating expenses	197	518
	950	1,070
Deposits		
Rental deposits	289	297
Utility deposits	8	8
Other deposits	107	104
	404	409
	1,354	1,479

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

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

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Trade payables	1,471	1,900
Other payables and accruals		
Accrued staff costs	279	411
Accrued administrative and operating expenses	939	3,394
Others	10	36
	1,228	3,841
Contract liabilities	238	338
	2,937	6,079

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

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
0 to 90 days	1,386	1,847
91 to 180 days	33	1
Over 180 days	52	52
	1,471	1,900

The credit period normally ranges from 30 to 90 days.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

16. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Within one year	659	712	636	671
More than one year, but not exceeding two years	104	416	103	408
	763	1,128	739	1,079
Less: Future finance charges	(24)	(49)	N/A	N/A
Present value of lease obligations	739	1,079	739	1,079
Less: Amount due for settlement within 12 months (shown under current liabilities)			(636)	(671)
Amount due for settlement after 12 months			103	408

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

16. LEASE LIABILITIES (CONTINUED)

As at 30 September 2023, the Group's policy to lease motor vehicle under finance leases. The lease term is 5 years. Interest rate is fixed at the contract date and thus exposes the Group to fair value interest rate risk. Lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. At the end of each lease term, the Group has the option to purchase the motor vehicle at a nominal price.

The incremental borrowing rate applied to lease liabilities was 5.5% (31 March 2023: 5.5%).

All lease liabilities are denominated in HK\$.

17. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 31 March 2023 (audited) and 30 September 2023 (unaudited)	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 31 March 2023 (audited) and 30 September 2023 (unaudited)	1,000,000,000	10,000



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2023

18. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with its related parties:

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 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)	403	428	828	878

Note:

Mr. She is interested in these transactions to the extent that he is the beneficial owner of Pansino Shenzhen. Therefore, the transactions with Pansino Shenzhen are also a continuing connected transactions under the GEM Listing Rules but are fully exempted from the requirements of reporting, announcement, annual review, circular and independent shareholders' approval under Rule 20.74(1)(c) of the GEM Listing Rules.

* For identification purpose only

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

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Short-term employee benefits	626	650	1,252	1,325
Retirement benefit scheme contributions	18	18	36	36
	644	668	1,288	1,361