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SITOY GROUP HOLDINGS LIMITED

時代集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1023)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

Financial highlights for the six months ended 31 December 2025

The Group's revenue remained relatively stable, totaling approximately HK\$812.2 million for the six months ended 31 December 2025, compared with approximately HK\$813.7 million for the six months ended 31 December 2024.

Gross profit decreased by approximately 4.5% to approximately HK\$261.7 million for the six months ended 31 December 2025 from approximately HK\$274.1 million for the six months ended 31 December 2024.

The Group recorded profit for the Period of approximately HK\$14.0 million when compared to the same period in 2024 of loss of approximately HK\$67.1 million.

Basic profit per share attributable to the owners of the Company for the Period was approximately HK1.45 cents compared to basic loss per share for the same period in 2024 of approximately HK6.96 cents.

Declared interim dividend per ordinary share was HK2 cents for the six months ended 31 December 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Sitoy Group Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 31 December 2025 (the “**Period**”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December 2025

		For the six months ended 31 December	
	<i>Notes</i>	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
REVENUE	4	812,230	813,710
Cost of sales		(550,526)	(539,567)
Gross profit		261,704	274,143
Other income and gains	4	3,979	12,728
Selling and distribution expenses		(115,518)	(133,685)
Administrative expenses		(111,823)	(122,468)
(Impairment losses)/reversal of impairment losses on financial assets, net		(233)	196
Other expenses		(16,429)	(88,862)
Finance costs		(364)	(917)
PROFIT/(LOSS) BEFORE TAX	5	21,316	(58,865)
Income tax expense	6	(7,363)	(8,218)
PROFIT/(LOSS) FOR THE PERIOD		13,953	(67,083)
Attributable to:			
Owners of the Company		13,953	(67,083)

		For the six months ended 31 December	
		2025	2024
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
EARNING/(LOSS) PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE COMPANY			
	8		
Basic			
		1.45	(6.96)
Diluted			
		1.45	(6.92)

Details of the dividends for the reporting period are disclosed in note 7 to the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2025

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PROFIT/(LOSS) FOR THE PERIOD	13,953	(67,083)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	12,647	(17,590)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	12,647	(17,590)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	12,647	(17,590)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	26,600	(84,673)
Attributable to:		
Owners of the Company	26,600	(84,673)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		329,142	333,612
Investment properties		558,360	558,360
Right-of-use assets		29,352	29,791
Other intangible assets		2,424	2,424
Deferred tax assets		19,182	24,125
Other non-current assets		166	164
Total non-current assets		938,626	948,476
CURRENT ASSETS			
Inventories		164,380	173,087
Trade receivables	9	307,320	262,264
Prepayments, other receivables and other assets		32,450	34,907
Income tax recoverable		1,497	141
Pledged deposits		26,856	26,634
Cash and cash equivalents		340,266	437,393
Total current assets		872,769	934,426
CURRENT LIABILITIES			
Trade and bills payables	10	129,707	150,490
Other payables and accruals		90,863	116,504
Lease liabilities		9,118	7,340
Tax payable		9,293	21,837
Deferred income		51	228
Total current liabilities		239,032	296,399
NET CURRENT ASSETS		633,737	638,027
TOTAL ASSETS LESS CURRENT LIABILITIES		1,572,363	1,586,503

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
NON-CURRENT LIABILITIES		
Lease liabilities	7,726	9,807
Deferred tax liabilities	5,923	5,965
Total non-current liabilities	13,649	15,772
Net assets	1,558,714	1,570,731
EQUITY		
Share capital	96,543	96,543
Treasury shares	–	(2,623)
Reserves	1,462,171	1,476,811
Total equity attributable to owners of the Company	1,558,714	1,570,731

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. Corporate Information

Sitoy Group Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 21 February 2008 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands. In the opinion of the Directors, the Company’s controlling shareholders are Mr. Yeung Michael Wah Keung and Dr. Yeung Wo Fai.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are the design, research, development, manufacture, sale, retailing and wholesale of handbags, small leather goods, travel goods and footwear products, the provision of advertising and marketing services and property investment.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Exchange**”) on 6 December 2011.

2.1 Basis of Preparation

The unaudited interim condensed consolidated financial statements for the six months ended 31 December 2025 have been prepared in accordance with International Accounting Standards (“**IASS**”) and Interpretations 34 Interim Financial Reporting issued by the International Accounting Standards Board (“**IASB**”).

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 30 June 2025.

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for investment properties, derivative financial instruments, wealth management products and equity investments which have been measured at fair value.

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

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standards that are described below:

The Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

3. Operating Segment Information

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

- (a) Retail: manufactures, retails and wholesales handbags, small leather goods, travel goods, footwear and fashion products for the brands owned or licensed by the Group, and provision of handbag and accessories design, advertising and marketing services;
- (b) Manufacturing: produces handbags, small leather goods and travel goods for branding and resale by others; and
- (c) Property investment: invests in office space for its rental income or capital appreciation purpose.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment.

Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except corporate and unallocated expenses are excluded from this measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the six months ended 31 December 2025 (unaudited)

	Retail HK\$'000	Manufacturing HK\$'000	Property investment HK\$'000	Total HK\$'000
Segment revenue:				
Sales to external customers	297,681	508,026	6,523	812,230
Intersegment sales	-	72,747	1,656	74,403
Total segment revenue	297,681	580,773	8,179	886,633
<i>Reconciliation:</i>				
Elimination of intersegment sales				(74,403)
Total revenue				812,230
Segment results				
	18,277	7,814	3,547	29,638
<i>Reconciliation:</i>				
Corporate and other unallocated expenses, net				(8,322)
Profit before tax				21,316
Other segment information:				
Depreciation of items of property, plant and equipment	2,258	11,737	-	13,995
Unallocated depreciation of items of property, plant and equipment				1,475
				15,470
Depreciation of right-of-use assets	1,767	3,042	-	4,809
Reversal of write-down of inventories to net realizable value	(3,088)	(2,534)	-	(5,622)
Capital expenditure*	1,575	11,427	-	13,002

For the six months ended 31 December 2024 (unaudited)

	Retail HK\$'000	Manufacturing HK\$'000	Property investment HK\$'000	Total HK\$'000
Segment revenue:				
Sales to external customers	315,691	491,410	6,609	813,710
Intersegment sales	–	65,580	1,536	67,116
Total segment revenue	315,691	556,990	8,145	880,826
<i>Reconciliation:</i>				
Elimination of intersegment sales				(67,116)
Total revenue				813,710
Segment results				
	(84,970)	33,537	(761)	(52,194)
<i>Reconciliation:</i>				
Corporate and other unallocated expenses, net				(6,671)
Loss before tax				(58,865)
Other segment information:				
Depreciation of items of property, plant and equipment	4,454	8,923	–	13,377
Unallocated depreciation of items of property, plant and equipment				1,275
				14,652
Depreciation of right-of-use assets	6,504	3,307	–	9,811
Reversal of write-down of inventories to net realizable value	(1,990)	(897)	–	(2,887)
Capital expenditure*	2,664	36,428	–	39,092

* Capital expenditure consists of additions to property, plant and equipment and intangible asset during the period.

The following table compares the total segment assets and liabilities as at 31 December 2025 and as at the date of the last annual financial statements (30 June 2025).

As at 31 December 2025 (unaudited)

	Retail HK\$'000	Manufacturing HK\$'000	Property investment HK\$'000	Total HK\$'000
Segment assets	333,712	1,939,931	651,272	2,924,915
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(1,249,639)
Corporate and other unallocated assets				136,119
Total assets				1,811,395
Segment liabilities	685,475	196,623	619,405	1,501,503
<i>Reconciliation:</i>				
Elimination of intersegment payables				(1,249,639)
Corporate and other unallocated liabilities				817
Total liabilities				252,681

As at 30 June 2025 (audited)

	Retail HK\$'000	Manufacturing HK\$'000	Property investment HK\$'000	Total HK\$'000
Segment assets	369,901	2,004,554	647,438	3,021,893
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(1,275,620)
Corporate and other unallocated assets				136,629
Total assets				1,882,902
Segment liabilities	742,711	224,965	619,413	1,587,089
<i>Reconciliation:</i>				
Elimination of intersegment payables				(1,275,620)
Corporate and other unallocated liabilities				702
Total liabilities				312,171

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's non-current assets.

(a) Revenue from external customers

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Chinese mainland, Hong Kong, Macau and Taiwan	431,277	436,838
Europe	186,875	134,859
Other Asian countries	125,906	134,190
North America	49,324	97,438
Others	18,848	10,385
Total	812,230	813,710

The revenue information above is based on the location of the customers.

(b) Non-current assets

	As at	As at
	31 December	30 June
	2025	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Chinese mainland and Hong Kong	845,105	853,961
Indonesia	74,339	70,390
Total	919,444	924,351

The non-current asset information above is based on the location of the assets and excludes deferred tax assets.

4. Revenue, Other Income and Gains

Information about major customers

For the six months ended 31 December 2025, revenue derived from sales by the manufacturing segment to one major customer amounting to HK\$108,276,000 (six months ended 31 December 2024: HK\$100,813,000) had accounted for over 10% of the Group's revenue, including sales to a group of entities which are known to be under common control of these customers.

An analysis of revenue is as follows:

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	805,707	807,101
Revenue from other sources		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	6,523	6,609
Total	812,230	813,710

Revenue from contracts with customers

(i) Disaggregated revenue information

The segment information for revenue from contracts with customers represented the revenue from retail and manufacturing business, which was disclosed in note 3 above.

(ii) Performance obligations

Information about the Group's performance obligations is summarized below:

Retail

The performance obligation is satisfied upon delivery of the goods.

Manufacturing

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 150 days from delivery, except for new customers, where payment in advance is normally required.

Other income and gains

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income	3,188	4,221
Government grants	298	962
Exchange gain, net	–	6,633
Others	493	912
Total	3,979	12,728

5. Profit/(Loss) Before Tax

The Group's profit/(loss) before tax is arrived at after charging:

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	550,526	539,567
Employee benefit expense (Including Directors' and chief executive's remuneration)		
– Wages and salaries	169,925	185,025
– Equity-settled share award expense	–	929
– Pension scheme contributions	14,888	14,989
	184,813	200,943
Depreciation of items of property, plant and equipment	15,470	14,652
Depreciation of right-of-use assets	4,809	9,811
Impairment losses/(reversal of impairment losses) of trade receivables and other receivables, net	233	(196)
Lease payments not included in the measurement of lease liabilities	1,858	6,580
Reversal of write-down of inventories to net realizable value	(5,622)	(2,887)
Auditors' remuneration	800	800
Exchange loss/(gain), net	15,474	(6,633)

6. Income Tax Expense

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

Hong Kong profits tax has been provided at the rate of 16.5% for the six months ended 31 December 2025 (six months ended 31 December 2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Macau Complementary Income Tax has not been provided for as the Group has no assessable profit arising in Macau during the six months ended 31 December 2025 (six months ended 31 December 2024: nil).

Indonesia Complementary income tax has not been provided for as the Group has no assessable profits arising in Indonesia during the six months ended 31 December 2025 (six months ended 31 December 2024: nil).

The provision for PRC corporate income tax is based on a statutory rate of 25% (six months ended 31 December 2024: 25%) of the assessable profit of the subsidiaries in Chinese mainland as determined in accordance with the PRC Corporate Income Tax Law for the six months ended 31 December 2025.

The major components of income tax expense are as follows:

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current – Hong Kong		
Charge for the period	179	10,072
Current – Chinese mainland		
Charge for the period	2,132	1,836
Current – Other regions		
Charge for the period	–	132
Deferred	5,052	(3,822)
Total tax charge for the period	7,363	8,218

7. Dividends

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividends on ordinary shares declared and paid during the six-month period:		
Special dividend for the year ended 30 June 2025: HK4 cents per share (year ended 30 June 2024: nil)	38,617	–
Final dividend for the year ended 30 June 2025: nil (year ended 30 June 2024: HK4 cents)	–	38,617
Interim dividend for the six months ended 31 December 2025: HK2 cents per share (six months ended 31 December 2024: HK2 cents)	19,309	19,309

On 27 February 2026, the Board of Directors of the company resolved to declare an interim dividend of HK2 cents (six months ended 31 December 2024: HK2 cents).

8. Earnings/(Loss) Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the six months ended 31 December 2025 and 2024 attributable to ordinary equity holders of the Company excluding cash dividend attributable to the awarded shares expected to be vested in the future as of the ending of the reporting period and the weighted average number of ordinary shares of 965,430,000 (six months ended 31 December 2024: 963,856,000) in issue excluding awarded shares during the six months ended 31 December 2025.

The calculation of the diluted earnings/(loss) per share amount is based on the earnings/(loss) for the six months ended 31 December 2025 and 2024 attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the six months ended 31 December 2025 and 2024, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

For the six months ended 31 December 2025, the Company has neither repurchased nor held treasury shares under the share award scheme, and no adjustment has been made to the basic profit per share amounts.

The calculations of basic and diluted (loss)/earnings per share are based on:

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<i>Earnings/(Loss)</i>		
Profit/(Loss) attributable to ordinary equity holders of the Company used in the basic and diluted earnings/(loss) per share calculation:	13,953	(67,083)
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	For the six months ended	
	31 December	
	2025	2024
	(Unaudited)	(Unaudited)
<hr/>		
Basic:		
Earnings/(Loss) per share (HK cents)	1.45	(6.96)
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Diluted:		
Earnings/(Loss) per share (HK cents)	1.45	(6.92)
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	For the six months ended	
	31 December	
	2025	2024
	(Unaudited)	(Unaudited)
<hr/>		
<i>Number of shares</i>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation	965,430,000	963,856,000
<hr/>		
Effect of dilution – weighted average number of ordinary shares*	–	5,859,315
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Weighted average number of ordinary shares in issue during the period used in the diluted earnings/(loss) per share calculation	965,430,000	969,715,315
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* For the six months ended 31 December 2025, the Company had no treasury shares held under the share award scheme that had dilutive effect (31 December 2024: 5,859,315).

9. Trade Receivables

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Trade receivables	309,941	264,642
Impairment	(2,621)	(2,378)
Total	307,320	262,264

The Group's trading terms with its customers are mainly on credit. The Group grants different credit periods to customers. The credit terms range from telegraphic transfers before shipment, letters of credit at sight to 90 days and telegraphic transfers within 30 to 150 days. The credit period of individual customers is considered on a case-by-case basis. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimize credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are unsecured and non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Within 90 days	259,163	245,097
91 to 180 days	48,157	16,293
Over 180 days	–	874
Total	307,320	262,264

The movements in the loss allowance for impairment of trade receivables are as follows:

	Six months ended 31 December 2025 HK\$'000 (Unaudited)	Year ended 30 June 2025 HK\$'000 (Audited)
At beginning of period/year	2,378	3,496
Impairment losses	233	836
Written off	–	(1,956)
Exchange realignment	10	2
At the end of period/year	2,621	2,378

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025 (Unaudited)

	Current	Less than 3 months	Past due 3 to 6 months	Over 6 months	Total
Expected credit loss rate	0.50%	2.30%	27.78%	40.24%	0.85%
Gross carrying amount (HK\$'000)	283,143	25,217	18	1,563	309,941
Expected credit loss (HK\$'000)	1,406	581	5	629	2,621

As at 30 June 2025 (Audited)

	Current	Less than 3 months	Past due 3 to 6 months	Over 6 months	Total
Expected credit loss rate	0.62%	2.73%	27.22%	46.92%	0.90%
Gross carrying amount (HK\$'000)	258,753	4,426	180	1,283	264,642
Expected credit losses (HK\$'000)	1,606	121	49	602	2,378

10. Trade and Bills Payables

An aging analysis of the outstanding trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Within 90 days	106,657	137,392
91 to 180 days	21,735	10,986
181 to 365 days	597	1,473
Over 365 days	718	639
Total	129,707	150,490

The trade and bills payables are non-interest-bearing and are normally to be settled within 90 days. The carrying amounts of the trade and bills payables approximate to their fair values.

11. Events After the Reporting Period

There are no material events after the reporting period which could influence the economic decisions that users make on the basis of the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Retail business

Revenue generated from this segment decreased by approximately 5.7% period to period to approximately HK\$297.7 million for the Period, primarily due to termination of the Cole Haan Business (as defined in the announcement of the Company dated 26 November 2024). However, it recorded segment profit before tax of approximately HK\$18.3 million when compared to the same period in the previous year of segment loss before tax of approximately HK\$85.0 million. The turnaround is mainly due to the fact that the one-off significant loss of approximately HK\$83.4 million incurred in the same period last year due to the Group's termination of the Cole Haan Business did not recur in the current Period. For details of the termination of the Cole Haan Business, please refer to the announcements of the Company dated 26 November 2024, 7 February 2025 and 19 September 2025 respectively.

The Group currently operates three self-owned brands — TUSCAN'S, Fashion & Joy and Duffy. TUSCAN'S is a brand of high quality handbags originated in Italy. Fashion & Joy is a self-developed brand focusing on stylish travel luggage and business accessories designed and expertly crafted for bold and young trend-setters. Duffy is a design refined and timeless styles brand with a touch of traditional oriental art for modern women to last, aiming to become the new iconic luxury brand in China. At the same time, the Group began operating the outdoor brand "Keen" in China under a single store sub-licence agreement, and is targeting additional shop openings across the PRC.

On the digital front, the Group continued to strengthen the development of its e-commerce platforms with most of its brands already available on Tmall and JD.com or their own brand websites and also our livestream channels. We have also co-operated with different key opinion leaders on various social media. The Group has its own livestream sales team with about 300 people and has achieved satisfactory results.

Manufacturing business

During the Period, revenue from external customers has increased slightly by approximately 3.4% period to period to approximately HK\$508.0 million for the Period. However, the appreciation of Renminbi against United States dollar had eroded the gross profit margin of the manufacturing business segment for the Period. As a result, the manufacturing business has recorded profit before tax of approximately HK\$7.8 million for the Period, compared with approximately HK\$33.5 million for the six months ended 31 December 2024.

Cost optimisation is one of the Group's key strategies to maintain considerable returns. Despite rising labour cost and keener competition, the Group continuously upgrades itself to meet the higher requirements of both existing and new customers, which include sourcing high quality raw materials at competitive prices, upgrading production facilities, continuing to optimise and streamline production procedures to boost competitiveness and satisfying brand customers' demands. The Group has made its best endeavours to tap new opportunities under a challenging business environment.

Property investment business

The Group expanded into the property investment market in 2016 by acquiring a 20-storey office building, now named as "Sitoy Tower", located in East Kowloon at 164 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. Prime office locations such as Central, Causeway Bay and nearby areas are occupied by enterprises and companies from the financial industry. Tenants from other industries, therefore, have to seek prime offices in other areas, such as East Kowloon, which are getting popular because of convenient locations, well-connected transportation options, and abundant lifestyle offerings such as shopping centres and entertainment facilities. In addition, the Company's office premise located at 4th to 5th Floor, The Genplas Building, 56 Hoi Yuen Road, Kwun Tong ceased to be for own use and was transferred to investment properties for rental income and capital appreciation purpose in early 2017. In 2019, the Group transferred its self-use property located at No. 1011, 10th Floor, Tower 1, Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, to investment property for rental income and capital appreciation purpose. The property investment segment is expected to generate stable returns for the Group. The revenue from property investment segment for the six months ended 31 December 2025 remained steady of approximately HK\$6.5 million when compared with approximately HK\$6.6 million for the corresponding period in 2024. It recorded segment profit before tax of approximately HK\$3.5 million for the six months ended 31 December 2025 as compared to the segment loss before tax of approximately HK\$0.8 million for the corresponding period in 2024. This is primarily attributed to the stabilised Hong Kong commercial property market, and hence no fair value changes in respect of the investment properties were recorded during the six months ended 31 December 2025.

PRODUCT RESEARCH, DEVELOPMENT AND DESIGN

The internal Creative Centre and R&D Centre of the Group offer customers one-stop design, research, development and manufacturing solutions, which help the Group serve its customers in response to fast-changing consumer preferences and fashion trends as well as to develop and manufacture products with complex designs. By offering customers value-added services and high level of craftsmanship, the Group will strengthen its competitive edge in the industry, which in turn will attract and retain leading international and Chinese mainland brands of high-end and luxury products as our customers. In the future, the Group shall continue to source high quality raw materials at competitive prices, enhance the production machines, tools and systems and optimise and streamline production procedures, ensure and stabilise the product qualities and reduce the reliance on labours to boost competitiveness of the Group and satisfy brand customers' demands.

PROSPECT

Retail business

The Group currently focuses on handbag, shoes, apparels and accessories sales through China's leading e-commerce platforms such as Douyin, Taobao, WeChat, Xiaohongshu and Kuaishou. The Group aims to strengthen its market position and diversify its revenue streams in the coming years.

Looking ahead, the Group has already started to expand its presence on international social media and e-commerce platforms, with a particular emphasis on developing overseas markets through TikTok. This strategic move will help build stronger brand awareness among global consumers and capture the growing demand for affordable and fashionable products.

In addition, the Group will broaden its product portfolio by introducing a wider range of lifestyle and household goods. This expansion not only aligns with evolving consumer trends but also aims to enhance overall sales performance and enlarge our product categories.

In April 2025, the Group started to operate another outdoor brand "Keen". The first shop was open under a sub-licence agreement for single shop in Changsha, the PRC. Currently, we are operating three shops with satisfactory results. The Group is liaising with brand licensor for opening more shops in the PRC and we are open to any other retail business opportunities which can create synergy with our current operating brands.

Through these initiatives, the Group is committed to evolving from a handbag-focused retailer into a diversified lifestyle brand with a sustainable e-commerce presence with multi-platform both in China and overseas.

Manufacturing business

In the view of the market uncertainties, such as geopolitical risks, inflation, and market volatility, we have to diversify the geographical risk of our manufacturing business by expanding our production facility to Indonesia, in order to attract more new brand customers. This helps to broaden not only the range of our manufacturing product, but also the price range, as well as to meet the strategic sourcing requirement of our brand customers.

We had purchased a piece of land of approximately 22,000 square meters and built a factory with more than 17,000 square meters on it in 2024. Our Indonesian factory started operations in late 2024 and is generating revenue since January 2025. The factory currently has 1,600 employees, while our target is 3,000 employees when it is running in full capacity in the second quarter of 2026. We are keen to establish partnerships with new brand clients, and some of them have already placed purchase orders. We are confident that we can achieve satisfactory growth in the coming years.

Property investment business

The properties held by the Group are expected to continue to generate stable rental income for the Group in the coming six months of this fiscal year.

FINANCIAL REVIEW

Revenue

The Group's revenue remained relatively stable, totaling approximately HK\$812.2 million for the six months ended 31 December 2025, compared with approximately HK\$813.7 million for the six months ended 31 December 2024. There was a decrease in revenue from the retail business, but this was offset by growth in revenue from the manufacturing business.

Cost of sales

Cost of sales of the Group slightly increased by approximately 2.0% to approximately HK\$550.5 million for the six months ended 31 December 2025 from approximately HK\$539.6 million for the six months ended 31 December 2024.

Gross profit and gross profit margin

Gross profit decreased by approximately 4.5% to approximately HK\$261.7 million for the six months ended 31 December 2025 from approximately HK\$274.1 million for the six months ended 31 December 2024. Gross profit margin decreased to 32.2% for the six months ended 31 December 2025, compared with 33.7% for the six months ended 31 December 2024 due to the appreciation of Renminbi against United States dollar.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 13.6% to approximately HK\$115.5 million for the six months ended 31 December 2025 from approximately HK\$133.7 million for the six months ended 31 December 2024. Following the termination of the Cole Haan Business in late 2024, no related selling and distribution expenses were incurred in the current period, contributing to a reduction in total expenses.

Administrative expenses

Administrative expenses decreased by approximately 8.7% to approximately HK\$111.8 million for the six months ended 31 December 2025 from approximately HK\$122.5 million for the six months ended 31 December 2024. Following the termination of the Cole Haan Business in late 2024, no related administrative expenses were incurred in the current period, contributing to a reduction in total expenses.

Other income and gains/expenses

Other income and gains decreased from approximately HK\$12.7 million for the six months ended 31 December 2024 to approximately HK\$4.0 million for the six months ended 31 December 2025.

The decrease in other income and gains was driven by a net unrealised exchange gain of approximately HK\$6.6 million recorded in the last period, compared to a net unrealised exchange loss of approximately HK\$15.5 million for the six months ended 31 December 2025, which was included in other expenses.

Other expenses decreased from approximately HK\$88.9 million for the six months ended 31 December 2024 to approximately HK\$16.4 million for the six months ended 31 December 2025. There was a one-off significant loss of approximately HK\$83.4 million incurred in the six months ended 31 December 2024 due to the termination of the Cole Haan Business and it did not recur in the current Period.

Income tax expense

Under the current laws of the Cayman Islands and the British Virgin Islands (the “**BVI**”), the Group is not subject to tax on its income or capital gains. In addition, any payments of dividends are not subject to withholding tax in the Cayman Islands or the BVI.

Hong Kong Profits Tax as applicable to the Group was 16.5% for the six months ended 31 December 2025 and 2024 of the assessable profits arising in Hong Kong during the relevant periods.

Macau Complementary Income Tax has not been provided for as the Group has no assessable profit arising in Macau during the six months ended 31 December 2025 and 2024.

Indonesia Complementary Income Tax has not been provided for as the Group had no assessable profit arising in Indonesia during the six months ended 31 December 2025 and 2024.

The PRC Corporate Income Tax was based on a statutory rate of 25% of the assessable profit of all the subsidiaries incorporated in the PRC as determined in accordance with the PRC Corporate Income Tax Law.

Profit/(Loss) for the Period

The Group recorded profit for the Period of approximately HK\$14.0 million when compared to the same period in 2024 of loss of approximately HK\$67.1 million. The turnaround is mainly due to 1) the fact that the one-off significant loss incurred in the same period last year due to the termination of the Cole Haan Business did not recur in the current Period; and 2) the stabilised Hong Kong commercial property market, and hence no major fair value changes were recorded in respect of the investment properties.

Investment properties

Details of investment properties of the Group with carrying amounts of approximately HK\$558.4 million as at 31 December 2025 and 30 June 2025 respectively are as follows:

As at 31 December 2025 and 30 June 2025

Property	Address	Use	Lease term
Ground to 2nd, room B of 3rd, 4th to 6th and 11th to 20th Floors, Sity Tower	Ground to 2nd, room B of 3rd, 4th to 6th and 11th to 20th Floors, Sity Tower, No. 164 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong (Kwun Tong Inland lot number 316)	Commercial (for rental income and capital appreciation purposes)	Medium term lease
4th to 5th Floors, The Genplas Building	4th to 5th Floors, The Genplas Building, 56 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong (Kwun Tong Inland lot number 58)	Industrial (for rental income and capital appreciation purposes)	Medium term lease
No. 1011, 10th Floor, Tower 1, Silvercord	No. 1011, 10th Floor, Tower 1, Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong (Kowloon Inland lot number 10456)	Commercial (for rental income and capital appreciation purposes)	Medium term lease

Sity Tower is a trendy and prime office tower with a total gross floor area of approximately 70,000 square feet. Room A of 3rd, 7th to 10th Floors are for the Group's own use as the Group's head office, showrooms for merchandise display and market week, whilst the remaining floors of Sity Tower are used for leasing purpose. During the six months ended 31 December 2025, there was no fair value adjustment was recognised (31 December 2024: fair value loss of approximately HK\$3.3 million).

Right-of-use assets

As at 31 December 2025, right-of-use assets decreased from approximately HK\$29.8 million as at 30 June 2025 to approximately HK\$29.4 million. It was mainly due to the recognition of depreciation during the Period.

Capital expenditure

For the six months ended 31 December 2025, the capital expenditure of the Group amounted to approximately HK\$13.0 million, primarily related to the expansion of retail business, upgrade and expansion of manufacturing facilities in PRC and Indonesia.

Significant investments

The Group had no significant investments held during the Period.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

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

Treasury policy

The Group adopts treasury policy that aims to better control its treasury operations and lower borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

Liquidity and financial resources

The liquidity and financial resources position of the Group remains strong as it continues to adopt a prudent approach in managing its financial resources. The Group's cash and cash equivalents as at 31 December 2025 amounted to approximately HK\$340.3 million (30 June 2025: approximately HK\$437.4 million) which are mainly denominated in Hong Kong dollars, Renminbi, Euro, Indonesian Rupiah and United States dollars. Based on the Group's steady cash inflow from operations coupled with sufficient cash and bank balances and readily available banking facilities, the Group has sufficient financial resources and a strong cash position to satisfy working capital requirements for business development, operations and capital expenditure. New investment opportunities, if any, would be funded by the Group's internal resources. The Group's net debt is less than zero as at 31 December 2025 (30 June 2025: less than zero) and hence no gearing ratio was presented.

Gearing ratio is net debt divided by total capital plus net debt. The Group's net debt consists of lease liabilities, trade and bills payables and other payables and accruals, less cash and cash equivalents.

Foreign exchange risk

The Group has transactional currency exposures. Such exposures arose from sales or purchases by operating units in currencies other than the units' functional currency. During the six months ended 31 December 2025, 62.6% (31 December 2024: 58.5%) of the Group's sales were denominated in currencies other than the functional currency of the operating units making the transaction, whilst approximately 87.6% (31 December 2024: 83.9%) of costs were denominated in the units' functional currency. As at 31 December 2025, the Group did not have any outstanding foreign exchange forward contracts and other financial derivatives (30 June 2025: nil).

Pledge of assets

As at 31 December 2025, approximately HK\$26.9 million of time deposits were pledged as securities for banking facilities granted to the Group (30 June 2025: approximately HK\$26.6 million).

Inventory turnover days

Inventory turnover days decreased to 59 days for the six months ended 31 December 2025 from 70 days for the year ended 30 June 2025.

Trade receivables turnover days

Trade receivables turnover days is 65 days for both the six months ended 31 December 2025 and the year ended 30 June 2025. The Group did not experience any significant credit risk due to strict credit control policies.

Trade and bills payables turnover days

Trade and bills payables turnover days is 62 days for the six months ended 31 December 2025 compared with 63 days for the year ended 30 June 2025. It was mainly due to decrease in average trade and bills payables. Trade payable are non-interest bearing and are generally settled within 90 days.

Off-balance sheet commitments and arrangements and contingent liabilities

As at 31 December 2025, the Group did not have any material off-balance sheet commitments and arrangements and contingent liabilities.

EMPLOYEES

As at 31 December 2025, the Group had about 5,000 employees. During the Period, the total cost of employees amounted to approximately HK\$184.8 million. In addition to the basic salaries, performance bonuses will be offered to those staff members with good performance. The PRC subsidiaries of the Group are subject to social insurance, provident housing fund and certain other employee benefits in accordance with the PRC laws and regulations. The Group also adhere to both statutory employment standards and those requested by customers, such as minimum wage levels and maximum working hours. Moreover, the Group provides staff quarters for most employees and, in case of certain senior employees, family quarters. The Group also provides various amenities and recreational facilities such as canteen, sports site, library and internet centre for the employees. The Group will continue to improve the working environment in the manufacturing facilities and the living facilities for the employees. The Directors believe that the remuneration packages and fringe benefits offered by the Group to its staff members are competitive in comparison with market standards and practices. Since human resource management is an important factor in maintaining and further enhancing the Group's strong expertise and know-how in the craftsmanship of handbags, small leather goods and travel goods, the in-house employee training centre provides pre-job training programs to the new recruits before they are assigned to work at the manufacturing facilities of the Group. From time to time, different levels of on-the-job training will be provided to the employees to broaden their skills and enhance their productivity.

The Company also adopted a share option scheme on 15 November 2011 (which has lapsed on 14 November 2021) and a share award scheme on 12 July 2018 for the purpose of recognising employees' contribution.

DIVIDEND, RECORD AND PAYMENT DATES

The Directors have declared an interim dividend of HK2 cents (six months ended 31 December 2024: HK2 cents) per ordinary share to the shareholders for the six months ended 31 December 2025 in recognition of their continuous support. The interim dividend will be paid to shareholders whose names appear on the register of members of the Company on Thursday, 2 April 2026. It is expected that the interim dividend will be paid on or before Monday, 27 April 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 30 March 2026 to Thursday, 2 April 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for determining Shareholders of the Company to receive the interim dividend will be Thursday, 2 April 2026. In order to qualify for the interim dividend, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Friday, 27 March 2026.

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its code of conduct governing securities transactions by the Directors.

Specific enquiry has been made with all Directors and all Directors have confirmed that they had fully complied with the required standard set out in the Model Code for the six months ended 31 December 2025.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to written guidelines on no less exacting terms than those in the Model Code.

No incident of non-compliance with these guidelines by the relevant employees for the six months ended 31 December 2025 was noted by the Company.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to its shareholders. The Board strives to adhere to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as risk management and internal control, fair disclosure and accountability to all shareholders of the Company to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for the shareholders of the Company. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for the shareholders of the Company.

The Board has adopted a set of corporate governance practices which aligns with or is more restrictive than the requirements set out in the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Listing Rules. The Board is of the view that the Company has complied with the code provisions set out in the CG Code for the six months ended 31 December 2025.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the CG Code. The primary duties of the audit committee are to review and supervise the financial reporting process and risk management over financial reporting system and internal control systems of the Group. The audit committee comprises Mr. Yeung Chi Tat (Chairman), Mr. Kwan Po Chuen, Vincent (retired on 17 November 2025), Ms Lee Pao Yue and Ms So Sze Wan, Lisa (appointed on 17 November 2025), all of whom are independent non-executive Directors. The interim condensed consolidated financial statements for the six months ended 31 December 2025 have not been audited, but the audit committee has discussed with the management of the Company and the external auditors, Ernst & Young, on the appropriateness and consistency of the accounting policies that have been adopted by the Company. In addition, Ernst & Young has performed certain agreed upon procedures in accordance with the request of the audit committee regarding the interim results and the interim report for the six months ended 31 December 2025 and has reported to the audit committee accordingly. The audit committee has reviewed the interim results and the interim report of the Group for the six months ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities (including sale of treasury shares, if any) by the Company or any of its subsidiaries during the six months ended 31 December 2025.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.sitoy.com) and the Hong Kong Exchange (www.hkexnews.hk). The Company's interim report for the six months ended 31 December 2025 will be despatched to the shareholders of the Company and available on the above websites in due course.

By order of the Board
Sitoy Group Holdings Limited
Yeung Michael Wah Keung
Chairman

Hong Kong, 27 February 2026

As at the date of this announcement, the executive Directors are Mr. Yeung Michael Wah Keung, Dr. Yeung Wo Fai, Mr. Yeung Andrew Kin and Mr. Chan Tung Chit; and the independent non-executive Directors are Mr. Yeung Chi Tat, Ms. Lee Pao Yue and Ms. So Sze Wan, Lisa.