




SATU

2022/2023
Interim Report



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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*This report, for which the directors (the “**Directors**”) of Satu Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*





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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 (the “**Board**”) of Directors 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 2022 (the “**Period**”), together with the comparative figures for the corresponding period in 2021 (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\$37.7 million for the Period, representing a significant decrease of approximately 57.4% as compared to that of approximately HK\$88.6 million for the Previous Period.

The homeware export business was still the Group’s major source of revenue, which contributed approximately 89.3% of the total revenue of the Group during the Period. The revenue of the homeware export business was approximately HK\$33.7 million, representing a significant decrease of approximately 60.0% comparing that of the Previous Period. The dropped of homeware export sales was mainly attributable to the decrease in sales orders from one of customers for the Period. Yet, the gross profit margin of homeware export business increased from approximately 18.8% in the Previous Period to approximately 32.8% in the Period. It is mainly attributable to two of our major customers placing orders on products with higher gross profit margin during the Period.

The revenue of own brand products dropped to approximately HK\$1.9 million, representing a decline of approximately 36.7%, from approximately HK\$3.0 million in the Previous Period. The sales performance of e-commerce business for the Period has reached approximately HK\$2.2 million, representing an increase of approximately 57.1%, as compared to that of approximately HK\$1.4 million in the Previous Period. The business of own brand products and e-commerce contributed approximately 5.0% and 5.7% of the total revenue of the Group during the Period.





MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the Group recorded a profit attributable to the owners of the Company of approximately HK\$0.9 million as compared to that of approximately HK\$6.3 million for the Previous Period.

PROSPECT

Our homeware export customers comprise of international brand owners and licensees, chain supermarkets and renowned department stores, which are mainly in Europe. In past few months, the regional military conflicts were one of the unfavorable factors which put pressure on the consumers' market, especially in Europe. Any deterioration of the economic and political situation may have negative impact on our homeware export business. The Group anticipates the operating environment in the second half year of the fiscal year 2023 would remain challenging with a substantial degree of uncertainty. Nevertheless, the Group will continuously 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\$37.7 million, representing a significant decrease of approximately 57.4% as compared to that of approximately HK\$88.6 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 64.5% from approximately HK\$70.5 million for the Previous Period to approximately HK\$25.0 million for the Period, which was in line with the decrease in revenue for the Period.

Gross Profit

Gross profit decreased by approximately 29.8% to approximately HK\$12.7 million for the Period from approximately HK\$18.1 million for the Previous Period. The gross profit margin increased from approximately 20.4% for the Previous Period to approximately 33.7% for the Period. It was mainly attributable to two of our major customers placing orders on products with higher gross profit margin during the Period.

Other Income and Net Gains

The other income and net gains of the Group increased by approximately HK\$0.3 million, from approximately HK\$0.2 million for the Previous Period to approximately HK\$0.5 million for the Period. The increase was primarily due to the non-recurring government subsidy under the Employment Support Scheme 2022 for the Period.

Selling and Distribution Expenses

The selling and distribution expenses of the Group was maintained at approximately HK\$6.2 million for the Period and the Previous Period respectively.

Administrative Expenses

The administrative expenses of the Group increased by approximately 3.4% from approximately HK\$5.8 million for the Previous Period to approximately HK\$6.0 million for the Period. The increase in administrative expenses was mainly attributable to the increase in administrative depreciation costs.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

The finance costs decreased by approximately HK\$9,000, or representing approximately 52.9%, from approximately HK\$17,000 for the Previous Period to approximately HK\$8,000 for the Period. The decrease was mainly due to the decrease in interest expense on lease liabilities.

Income Tax Expense

The income tax expense of the Group was approximately HK\$98,000 for the Period, which increased by approximately 880% as compared to that of approximately HK\$10,000 for the Previous Period, which was mainly due to the under-provision of the PRC enterprise income tax expense in the year ended 31 March 2022.

Profit Attributable to Owners of the Company

After taking into account of the foregoing, the Group recorded a profit attributable to owners of the Company of approximately HK\$0.9 million for the Period, as compared to that of approximately HK\$6.3 million for the Previous Period. The decrease of approximately HK\$5.4 million 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 2022, the Group had bank and cash balances of approximately HK\$25.1 million (31 March 2022: approximately HK\$32.3 million). As at 30 September 2022, the Group's indebtedness comprised lease liabilities of approximately HK\$0.3 million (31 March 2022: approximately HK\$0.7 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 2022, the gearing ratio was approximately 0.8%, which decreased by approximately 1.1% as compared to that of approximately 1.9% as at 31 March 2022. It is mainly due to the repayment and the amortisation of lease liabilities.

As at 30 September 2022, the Group's total assets amounted to approximately HK\$42.9 million (31 March 2022: approximately HK\$43.9 million) and net assets amounted to approximately HK\$36.5 million (31 March 2022: approximately HK\$35.5 million).

As at 30 September 2022, current ratio and quick ratio of the Group increased to approximately 6.6 and 6.2 respectively, as compared to that of approximately 5.1 and 4.9 respectively as at 31 March 2022.

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 2022, 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 2022 is set out below:

	Use of net proceeds (HK\$ million)	Revised use of net proceeds ⁽ⁱ⁾ (HK\$ million)	Amount utilised during the Period (HK\$ million)	Utilised net proceeds up to 30 September 2022 (HK\$ million)	Remaining net proceeds as at 30 September 2022 (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 2022
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 2023	(iii)
Enhance our quality assurance capabilities	4.7	-	-	(4.7)	-	-	
Enhance brand recognition and awareness and promote corporate reputation	6.3	7.3	(1.2)	(13.6)	-	-	(iv)
General working capital	2.4	-	-	(2.4)	-	-	
Total	31.3	-	(1.2)	(28.9)	2.4		

- (i) On 19 March 2020, the Group reallocated 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 due to the outbreak of COVID-19 (the "Pandemic"). The Company is exploring the appropriate design software for our business.
- (iv) During the Period, the Company applied the proceeds in the following activities, which were consistent with the implementation activities set out in the Prospectus and the Announcement: 1) advertising fee for the promotion of the products with Company's own brand name; 2) providing service fee to the strategic business and brand consultant to develop the products under the Company's own brand name; and 3) maintaining the e-commerce platform for trading the products with the Company's own brand name.

MANAGEMENT DISCUSSION AND ANALYSIS

There has been a delay in the use of the net proceeds in enhancing design and development capabilities due to the outbreak of the Pandemic, since the Board postponed the expansion plan with reference to the pace of gradual recovery of the market. As at the date of this report, the Directors do not anticipate any change to the plan as to the use of proceeds and the balance of the fund would be utilised accordingly.

The remaining unused net proceeds as at 30 September 2022 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 2022, the Group had a total of 37 (as at 30 September 2021: 29) full-time employees (including three executive Directors). The total employee benefit expenses (including Directors' emoluments) for the Period amounted to approximately HK\$4.5 million (Previous Period: approximately HK\$4.2 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.





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 have any foreign currency investments 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. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. 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 2022.

PLEDGE OF ASSETS

The finance lease obligation as at 30 September 2022 was secured against a motor vehicle with a carrying amount of approximately HK\$12,000 (31 March 2022: approximately HK\$84,000).

CAPITAL COMMITMENTS

As at 30 September 2022, the Group did not have any material capital commitments (31 March 2022: 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 2022 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 2022, the Group did not have any material contingent liabilities (31 March 2022: 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 2022. There was no other plan for material investments or capital assets as at 30 September 2022.

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

SIGNIFICANT EVENT AFTER THE PERIOD

Apart from the Pandemic, there was no significant event happened subsequent to the end of the Period and up to the date of this report. The management of the Group will be cautious to monitor the development of the Pandemic and continue to evaluate its impacts on the business, financial position, cash flows and financial performance of the Group.





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, we do 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 during the Period (the “**Model Code**”). The Company had made specific enquiry to 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 2022, 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 2022, 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 2022, 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 2022, 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.

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, 8 November 2022

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 2022

	Notes	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	4	20,328	56,670	37,732	88,583
Cost of sales		(13,536)	(45,087)	(25,024)	(70,534)
Gross profit		6,792	11,583	12,708	18,049
Other income and net gains	4	253	78	513	242
Selling and distribution expenses		(3,761)	(3,423)	(6,216)	(6,171)
Administrative expenses		(2,937)	(2,796)	(6,022)	(5,753)
Profit from operations		347	5,442	983	6,367
Finance costs	5	(4)	(8)	(8)	(17)
Profit before tax		343	5,434	975	6,350
Income tax expense	6	(90)	(4)	(98)	(10)
Profit for the period attributable to owners of the Company	7	253	5,430	877	6,340
Earnings per share attributable to owners of the Company					
Basic and diluted	8	HK0.025 cents	HK0.543 cents	HK0.088 cents	HK0.634 cents



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

For the three months and six months ended 30 September 2022

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Profit for the Period	253	5,430	877	6,340
Other comprehensive income: <i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	78	(2)	127	(20)
Other comprehensive income for the period, net of tax	331	5,428	1,004	6,320
Total comprehensive income for the period attributable to owners of the Company	331	5,428	1,004	6,320

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	1,081	1,288
Right-of-use assets	11	166	547
		1,247	1,835
Current assets			
Inventories	12	2,508	1,238
Trade receivables	13	10,229	7,085
Prepayments and deposits	14	3,841	1,496
Current tax receivables		26	35
Bank and cash balances		25,065	32,265
		41,669	42,119
Current liabilities			
Trade payables	15	3,196	588
Other payables and accruals	15	2,244	5,064
Contract liabilities	15	632	2,096
Lease liabilities	16	261	575
Current tax liabilities		–	1
		6,333	8,324
Net current assets		35,336	33,795
Non-current liabilities			
Lease liabilities	16	35	86
NET ASSETS		36,548	35,544
Capital and reserves			
Share capital	17	10,000	10,000
Reserves		26,548	25,544
TOTAL EQUITY		36,548	35,544



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	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 2021	10,000	8	(80)	36,793	(360)	(14,125)	32,236
Profit and total comprehensive income for the period	-	-	(20)	-	-	6,340	6,320
At 30 September 2021 (unaudited)	10,000	8	(100)	36,793	(360)	(7,785)	38,556
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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Net cash (used in)/generated from operating activities	(6,688)	2,834
Net cash (used in)/generated from investing activities	(274)	10,560
Net cash used in financing activities	(365)	(355)
Effect of foreign exchange rate changes	127	(20)
Net (decrease)/increase in cash and cash equivalents	(7,200)	13,019
Cash and cash equivalents at 1 April	32,265	15,391
Cash and cash equivalents at 30 September	25,065	28,410
Analysis of cash and cash equivalents Bank and cash balances	25,065	28,410





NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

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 2022, 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 2022

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 2022, 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 2022. 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 2022. 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 2022

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2022, 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 2022.

Amendments to HKFRS 3	Business Combination – Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 Cycle

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 2022

4. REVENUE AND SEGMENT INFORMATION

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

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue				
Sales of homeware products	20,328	56,670	37,732	88,583
Other income and net gains				
Government grants	190	–	302	–
Exchange loss, net	(141)	(135)	(99)	(161)
Interest income	88	127	94	219
Packaging income	22	14	42	25
Sampling income	40	42	72	104
Others	54	30	102	55
	253	78	513	242

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 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 2022

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	
	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Revenue				
Denmark	10,699	5,901	15,782	9,170
United States	3,411	1,969	7,895	2,530
United Kingdom	1,526	8,522	3,198	15,095
France	1,168	2,672	2,402	3,531
Poland	463	1,841	2,094	1,884
PRC	953	2,206	1,892	3,165
Australia	631	30,720	1,655	48,711
Germany	561	711	1,371	1,556
Others	916	2,128	1,443	2,941
	20,328	56,670	37,732	88,583

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

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

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Hong Kong	290	690
PRC	957	1,145
	1,247	1,835



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

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	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Customer A	10,543	5,893	15,439	9,056
Customer B	2,289	7,164	5,589	10,311
Customer C	2,140	N/A ¹	5,326	N/A ¹
Customer D	–	31,065	–	48,283

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 2022

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Interest on lease liabilities	4	8	8	17

6. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Current tax				
– Hong Kong Profits Tax				
Provision for the period	3	3	10	8
– PRC Enterprise Income Tax				
Under-provision in prior year	86	1	86	2
Provision for the period	1	–	2	–
	90	4	98	10





NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

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 12.5% of its taxable income at a tax rate of 20%. 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

7. PROFIT FOR THE PERIOD

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

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Auditor's remuneration	148	140	295	280
Reversal of allowance for slowing-moving inventory, net	–	–	(4)	–
Cost of homeware products	12,157	42,841	22,338	67,005
Depreciation on right-of-use assets	191	191	381	381
Depreciation on property, plant and equipment	372	220	593	440
Foreign exchange loss, net	141	135	99	161
Operating lease charges in respect of:				
— Office premises	428	438	878	870
— Warehouse	140	146	288	291
— Shop premises	177	–	330	–
Staff costs including				
Directors' emoluments				
— Salaries and allowances	2,208	1,873	4,191	3,841
— Discretionary bonuses	–	151	68	151
— Retirement benefit scheme contributions	139	106	261	208



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

8. EARNINGS PER SHARE

The calculation of basic and diluted 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	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Earnings				
Profit attributable to owners of the Company	253	5,430	877	6,340
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	1,000,000	1,000,000	1,000,000	1,000,000

The diluted earnings per share is equal to the basic 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 2022

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired approximately HK\$0.4 million of property, plant and equipment (Previous Period: Nil). 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 2021	1,081	228	1,309
Depreciation	(309)	(72)	(381)
At 30 September 2021 (unaudited)	772	156	928
At 1 April 2022	463	84	547
Depreciation	(309)	(72)	(381)
At 30 September 2022 (unaudited)	154	12	166



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

12. INVENTORIES

	As at 30 September 2022 <i>HK\$'000</i> (unaudited)	As at 31 March 2022 <i>HK\$'000</i> (audited)
Finished goods	2,508	1,238

As at 30 September 2022, the carrying values of inventories are approximately HK\$2,508,000 (31 March 2022: approximately HK\$1,238,000), which are net of provision of obsolete and slow-moving inventories of approximately HK\$128,000 (31 March 2022: approximately HK\$132,000).

13. TRADE RECEIVABLES

	As at 30 September 2022 <i>HK\$'000</i> (unaudited)	As at 31 March 2022 <i>HK\$'000</i> (audited)
Trade receivables	10,229	7,085

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 2022

13. TRADE RECEIVABLES (CONTINUED)

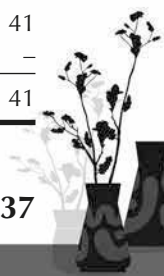
The aging analysis of trade receivables, based on the delivery date, is as follows:

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
0 to 30 days	3,938	1,638
31 to 60 days	3,945	1,032
61 to 120 days	2,302	4,415
Over 120 days	44	–
	10,229	7,085

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

As at 30 September 2022 and 31 March 2022, trade receivables of approximately HK\$512,000 and approximately HK\$41,000 respectively were past due but not impaired. These relate to a number of independent customers of whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
0 to 30 days	510	41
31 to 60 days	2	–
	512	41



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

13. TRADE RECEIVABLES (CONTINUED)

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

	As at 30 September 2022 <i>HK\$'000</i> (unaudited)	As at 31 March 2022 <i>HK\$'000</i> (audited)
USD	10,061	6,807
RMB	147	255
Others	21	23
	10,229	7,085

14. PREPAYMENT AND DEPOSITS

	As at 30 September 2022 <i>HK\$'000</i> (unaudited)	As at 31 March 2022 <i>HK\$'000</i> (audited)
Prepayments		
Goods purchased	2,512	677
Administrative and operating expenses	917	578
	3,429	1,255
Deposits		
Rental deposits	297	189
Utility deposits	8	8
Other deposits	107	44
	412	241
	3,841	1,496

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

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

	As at 30 September 2022 <i>HK\$'000</i> (unaudited)	As at 31 March 2022 <i>HK\$'000</i> (audited)
Trade payables	3,196	588
Other payables and accruals		
Accrued staff costs	333	1,594
Accrued administrative and operating expenses	1,872	3,448
Others	39	22
	2,244	5,064
Contract liabilities	632	2,096
	6,072	7,748

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

	As at 30 September 2022 <i>HK\$'000</i> (unaudited)	As at 31 March 2022 <i>HK\$'000</i> (audited)
0 to 90 days	3,144	450
91 to 180 days	2	8
Over 180 days	50	130
	3,196	588

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 2022

16. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Within one year	266	586	261	575
More than one year, but not exceeding two years	35	88	35	86
	301	674	296	661
Less: Future finance charges	(5)	(13)	N/A	N/A
Present value of lease obligations	296	661	296	661
Less: Amount due for settlement within 12 months (shown under current liabilities)			(261)	(575)
Amount due for settlement after 12 months			35	86

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

16. LEASE LIABILITIES (CONTINUED)

It is the Group's policy to lease motor vehicle under finance leases. The lease term is 5 years. At 30 September 2022, the effective borrowing rate was 4.85% (31 March 2022: 4.85%). 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.

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 2022 (audited) and 30 September 2022 (unaudited)	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 31 March 2022 (audited) and 30 September 2022 (unaudited)	1,000,000,000	10,000



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2022

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	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 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”)) <i>(Note)</i>	428	438	878	870

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

* For identification purpose only

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

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Short-term employee benefits	650	688	1,325	1,335
Retirement benefit scheme contributions	18	16	36	34
	668	704	1,361	1,369