

i.century Holding Limited 愛世紀集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8507



FIRST
QUARTERLY
REPORT
2020

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*This report, for which the directors (collectively the “**Directors**” and each the “**Director**”) of i.century Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Group. 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

BOARD OF DIRECTORS

Executive Directors

Mr. Leung Kwok Hung Wilson
(*Chairman and chief executive officer*)
Ms. Tam Shuk Fan
Ms. Lee Yin Mei

Independent Non-Executive Directors

Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis
Mr. Lee Kwun Ting

COMPANY SECRETARY

Mr. Kwok Chi Yin

COMPLIANCE OFFICER

Mr. Leung Kwok Hung Wilson

AUTHORISED REPRESENTATIVES

Ms. Tam Shuk Fan
Mr. Kwok Chi Yin

AUDIT COMMITTEE

Mr. Lau Yau Chuen Louis (*Chairman*)
Ms. Cheung Wai Man
Mr. Lee Kwun Ting

REMUNERATION COMMITTEE

Mr. Lee Kwun Ting (*Chairman*)
Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis

NOMINATION COMMITTEE

Mr. Leung Kwok Hung Wilson
(*Chairman*)
Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis
Mr. Lee Kwun Ting

COMPLIANCE ADVISER

Messis Capital Limited
Room 1606, 16/F., Tower 2
Admiralty Centre
18 Harcourt Road
Hong Kong

LEGAL ADVISER

Chiu, Szeto & Cheng Solicitors
(in association with JNJ Partners LLP)
Unit 402, 4th Floor,
Unit 601, 6th Floor,
Wing On House,
71 Des Voeux Road,
Central, Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F., Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

**HEADQUARTERS AND
PRINCIPAL PLACE OF
BUSINESS**

Units 212-215, 2/F.
Elite Industrial Centre
No. 883 Cheung Sha Wan Road
Lai Chi Kok
Kowloon, Hong Kong

**PRINCIPAL SHARE REGISTRAR
AND TRANSFER OFFICE**

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

**HONG KONG BRANCH
SHARE REGISTRAR AND
TRANSFER OFFICE**

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKER

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

STOCK CODE

8507

COMPANY WEBSITE

www.icenturyholding.com

FINANCIAL HIGHLIGHTS

- The Group recorded an unaudited revenue of approximately HK\$17.2 million for the three months ended 30 June 2020 (three months ended 30 June 2019: approximately HK\$29.9 million), representing a decrease of approximately 42.5% over the same period of 2019.
- The unaudited loss of the Group for the three months ended 30 June 2020 amounted to approximately HK\$4.5 million (three months ended 30 June 2019: unaudited loss of approximately HK\$5.4 million).
- The Board does not recommend the payment of any dividend for the three months ended 30 June 2020 (three months ended 30 June 2019: nil).

FIRST QUARTERLY RESULTS

The board of directors (the “**Board**”) of the Company announces the unaudited condensed consolidated financial results of the Group for the three months ended 30 June 2020, together with the comparative unaudited figures for the corresponding period in 2019, as follows:

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

For the three months ended 30 June 2020

	Notes	Three months ended 30 June	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	4	17,190	29,886
Cost of sales		(14,203)	(24,979)
Gross profit		2,987	4,907
Other income		49	59
Other gain/(losses)	5	353	(1,337)
Selling and distribution expenses		(1,471)	(1,650)
Administrative expenses		(6,286)	(7,106)
Finance costs		(195)	(190)
Loss before tax	6	(4,563)	(5,317)
Income tax credit/(expense)	7	41	(84)
Loss for the period		(4,522)	(5,401)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		–	6
Total comprehensive loss for the period attributable to owners of the Company		(4,522)	(5,395)
Loss per share			
Basic and diluted (HK cents)	8	(1.1)	(1.4)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2020

	Attributable to owners of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Contribution reserve HK\$'000 (note i)	Exchange reserve HK\$'000 (note ii)	(Accumulated losses)/ Retained earnings HK\$'000	Total equity HK\$'000
At 1 April 2019 (Audited)	4,000	43,238	-	(7)	5,839	53,070
Loss for the period	-	-	-	-	(5,401)	(5,401)
Other comprehensive income:						
Exchange differences on translation of foreign operations during the period	-	-	-	6	-	6
Total comprehensive loss for the period	-	-	-	6	(5,401)	(5,395)
At 30 June 2019 (Unaudited)	4,000	43,238	-	(1)	438	47,675
At 1 April 2020 (Audited)	4,000	43,238	-	(48)	(11,152)	36,038
Loss for the period	-	-	-	-	(4,522)	(4,522)
Other comprehensive income:						
Exchange difference arising on translation of foreign operations during the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(4,522)	(4,522)
At 30 June 2020 (Unaudited)	4,000	43,238	-	(48)	(15,674)	(31,516)

Notes:

- (i) Contribution reserve of the Group represents the difference between the aggregated share capital of the subsidiaries and one nil paid share of the Company issued as fully paid pursuant to the Reorganisation (as defined in the prospectus of the Company dated 29 March 2018 (the "Prospectus") for transfer of the subsidiaries to the Company. The balance was approximately HK\$4.
- (ii) Exchange reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar) are recognised directly in other comprehensive income and accumulated in the translation reserve. Such exchange differences accumulated in the exchange reserve are reclassified to retained earnings on the disposal of the foreign operations.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2020

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and principal place of business in Hong Kong is Units 212-215, 2/F., Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Lai Chi Kok, Kowloon, Hong Kong. The Company's ultimate holding company is Giant Treasure Development Limited ("**Giant Treasure**"), a company incorporated in the British Virgin Islands (the "**BVI**") and controlled by Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan (the "**Controlling Shareholders**").

The Company is an investment holding company and its subsidiaries principally engaged in provision of apparel supply chain management ("**SCM**") services.

The unaudited condensed consolidated financial statements are presented in Hong Kong ("**HK\$**"), which is the functional currency of the Company and its principal subsidiaries and all values are rounded to the nearest thousands (HK\$'000), except when otherwise stated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the three months ended 30 June 2020 have been prepared under the historical cost basis and in accordance with all the applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereafter collectively referred to as the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules, unless otherwise stated.

2. *BASIS OF PREPARATION (continued)*

The unaudited condensed consolidated financial statements for the three months ended 30 June 2020 should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2020 and the notes thereto (the “**2020 Audited Consolidated Financial Statements**”). The significant accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the 2020 Audited Consolidated Financial Statements except for the new and revised standards, amendments and interpretations issued by the HKICPA that are adopted for the first time for the current period’s financial statements. It should be noted that accounting estimates and assumptions were adopted in the preparation of the unaudited condensed consolidated financial statements. Although the estimates are based on the management’s best knowledge of and judgment on the present events and actions, the actual results may eventually differ from those estimates.

3. *ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS*

During the period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2020. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies presentation of the Group’s unaudited condensed consolidated financial statements and amounts reported for the current and prior accounting periods.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial period beginning 1 April 2020. The Directors anticipate that the new and revised HKFRSs will be adopted in the Group’s unaudited condensed consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE

Disaggregation of revenue from contracts with customers:

	Three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Sales of goods	17,190	29,886

5. OTHER GAIN/(LOSSES)

	Three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Net foreign exchange (loss)/gain	(9)	121
Net reversal/(recognised) of impairment loss in respect of trade receivables	280	(1,541)
Bad debt recovered	82	83
	353	(1,337)

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Three months ended	
	30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Auditors' remuneration	156	150
Depreciation of property, plant and equipment	458	429
Depreciation of right-of-use assets	64	–
Minimum lease payments under operating leases in respect of office premises	–	332
Rental expenses in respect of short-term leases	251	–
Cost of inventories sold	13,443	24,325
Staff costs including Directors' remuneration (note)		
– Salaries and wages	5,663	5,489
– Staff benefits	83	1
– Retirement benefit scheme contributions	186	153
	5,932	5,643

Note: Staff costs including Directors' remuneration included in the "Selling and distribution expenses" are salaries and wages of approximately HK\$1,340,000 (three months ended 30 June 2019: HK\$1,424,000)

7. INCOME TAX CREDIT/(EXPENSE)

	Three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Current tax – Hong Kong Profits Tax – Charge for the period	–	–
Deferred tax – Credit/(charge) for the period	41	(84)
	41	(84)

Hong Kong profit tax is calculated on the basis at 8.25% of the estimated assessable profits up to HK\$2,000,000 and 16.5% on any part of the estimated assessable profit over HK\$2,000,000 for the three months ended 30 June 2020 and 2019. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the three months ended 30 June 2020 and 2019.

Taxation of other overseas subsidiary is calculated at the applicable rate prevailing in the jurisdictions in which the subsidiary operates.

No provision for Hong Kong Profits Tax, PRC Enterprise Income Tax and other overseas subsidiary had been made as the Group had no assessable profit for the period ended 30 June 2020.

8. LOSS PER SHARE

	Three months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of basic loss per share	(4,522)	(5,401)
	Number of shares	
	'000	'000
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	400,000	400,000

The calculation of basic loss per share for the period ended 30 June 2020 and 2019 is based on loss attributable to owners of the Company and the weighted average number of ordinary shares.

No diluted loss per share was presented as there was no potential dilutive potential shares outstanding during the above respective periods.

9. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 30 June 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The Group is an apparel SCM services provider and its services range from product development, sourcing and procurement of raw materials, production management and quality control to logistics arrangement. The Group's major customers comprise of apparel retail brands based predominately in the U.S. and Europe, the products of which are marketed and sold under their own brands. The styles and functions of the products for the Group's key customers are generally casual lifestyle for the general consumers and outdoor performance for outdoor activities.

The Group does not possess its own brand. All the Group's products are manufactured in accordance with the specifications and requirements provided by the Group's customers. The Group proposes suggestions to the Group's customers regarding design and specification such as choices of raw materials, styling and pattern in order to meet the brand requirements and budgets.

The Group's products were manufactured by our manufacturer suppliers or other manufacturers engaged by our trading company suppliers, which are mainly located in the PRC.

BUSINESS REVIEW

The outbreak of novel coronavirus ("**COVID-19**") epidemic has brought notable disruption globally, which severely affected the operating environment of our SCM services. Some of our overseas customer orders were cancelled or postponed at the beginning of April 2020, due to business restrictions imposed by their local governments to control the spread of the COVID-19. Such operations of business had begun to slowly recover by June 2020.

Under this unfavorable business environment, the Group recorded revenue of approximately HK\$17.2 million for the three months ended 30 June 2020, representing a decrease of approximately 42.5% as compared to the amount of approximately HK\$29.9 million for the three months ended 30 June 2019. The Group's gross profit for the three months ended 30 June 2020 amounted to approximately HK\$3.0 million, as compared to approximately HK\$4.9 million for the three months ended 30 June 2019. The overall gross profit margin increased from 16.4% for the three months ended 30 June 2019 to 17.4% for the three months ended 30 June 2020.

FINANCIAL REVIEW

Revenue

The Group's revenue was mainly derived from the sales of our key apparel products, such as jackets, woven shirts, pullovers, pants, shorts, T-shirts and other products, including dresses, vests and accessories, such as socks and bags, through the provision of apparel SCM services to our customers. For the three months ended 30 June 2020, the Group recorded an unaudited revenue of approximately HK\$17.2 million, representing a decrease of approximately 42.5% comparing with that of approximately HK\$29.9 million for the three months ended 30 June 2019. The decrease in revenue mainly derived from the lockdowns in our major markets due to the outbreak of COVID-19.

The following table sets out a breakdown of the Group's revenue by product categories for the three months ended 30 June 2020 and 2019:

	Three months ended 30 June			
	2020		2019	
	HK\$'000	%	HK\$'000	%
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Jackets	9,729	56.6	20,433	68.4
Woven shirts	1,576	9.2	2,900	9.7
Pullovers	2,071	12.0	2,200	7.4
Pants and shorts	2,668	15.5	3,007	10.1
T-shirts	289	1.7	87	0.3
Other products (note)	857	5.0	1,259	4.1
	17,190	100.0	29,886	100.0

Note: Other products include, for example, dresses, vests and accessories such as socks and bags.

During the three months ended 30 June 2020, the sales volume of the Group amounted to 138,939 units of finished products. Set out below are the total sales quantities of each product category for each of the three months ended 30 June 2020 and 2019:

	Three months ended 30 June			
	2020		2019	
	Unit sold (Unaudited)	%	Unit sold (Unaudited)	%
Jackets	52,042	37.5	111,513	57.4
Woven shirts	13,551	9.8	21,462	11.1
Pullovers	36,530	26.3	21,358	11.0
Pants and shorts	21,684	15.6	27,870	14.3
T-shirts	5,514	4.0	1,036	0.5
Other products (note)	9,618	6.8	10,978	5.7
	138,939	100.0	194,217	100.0

Note: Other products include, for example, dresses, vests and accessories such as socks and bags.

The selling price of each of the product categories depends primarily on, among other things, overhead expenses, purchase cost, as well as our expected profit margin. Accordingly, the selling price of our products may differ considerably in different purchase orders by different customers. Set out below is the average selling price per unit of finished product sold to our customers for each product category for the three months ended 30 June 2020 and 2019:

	Three months ended 30 June		
	2020	2019	
	Average	Average	
	selling price	selling price	Rate of
	(note 1)	(note 1)	change
	HK\$	HK\$	%
	(Unaudited)	(Unaudited)	(Unaudited)
Jackets	186.9	183.2	2.0
Woven shirts	116.3	135.1	(13.9)
Pullovers	56.7	103.0	(45.0)
Pants and shorts	123.0	107.9	14.0
T-shirts	52.5	84.5	(37.9)
Other products (note 2)	89.2	114.7	(22.2)
	123.7	153.9	(19.6)

Notes:

1. The average selling price represents the revenue for the period divided by the total sales volume for the period.
2. Other products include, for example, dresses, vest and accessories such as socks and bags.

Cost of sales

Cost of sales primarily consists of cost of goods sold, raw materials and consumable goods, freight and transportation, laboratory test and inspection fee, declaration and license charges and other charges. The Group's cost of sales decreased from approximately HK\$25.0 million for the three months ended 30 June 2019 to approximately HK\$14.2 million for the three months ended 30 June 2020, representing a decrease of approximately 43.1%. Such decrease was in line with the decrease in total sale volume.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$1.9 million from approximately HK\$4.9 million for the three months ended 30 June 2019 to approximately HK\$3.0 million for the three months ended 30 June 2020. However, the gross profit margin increased from approximately 16.4% for the three months ended 30 June 2019 to 17.4% for the three months ended 30 June 2020. The increase in gross profit margin of the Group was mainly due to competitive price offered by the suppliers.

Other income

Other income mainly consists of (i) bank interest income and (ii) sundry income. The Group's other income decreased by approximately 16.9% from approximately HK\$59,000 for the three months ended 30 June 2019 to approximately HK\$49,000 for the three months ended 30 June 2020. The decrease was mainly attributable to the decrease in interest income.

Other gains/(losses)

Other gains/(losses) consist of (i) net foreign exchange (loss)/gain, (ii) net reversal/ (recognised) of impairment loss recognised in respect of trade receivables and (iii) bad debt recovered. The Group's recorded other gains to approximately HK\$0.4 million for the three months ended 30 June 2020 as compared with other losses of approximately HK\$1.3 million for the three months ended 30 June 2019. The increase in other gains was mainly due to the net reversal of impairment loss recognised in respect of trade receivables.

Selling and distribution expenses

Selling and distribution expenses mainly consist of (i) overseas travelling and (ii) salaries and mandatory provident fund for merchandising staff. Selling and distribution expenses decreased by approximately 10.8% from approximately HK\$1.7 million for the three months ended 30 June 2019 to approximately HK\$1.5 million for the three months ended 30 June 2020. The decrease was mainly attributable to the decrease in overseas travelling expenses.

Administrative expenses

Administrative expenses primarily comprise (i) Director's remuneration; (ii) staff costs and benefits for general and administrative staff; (iii) legal and professional fee, accountancy fee and compliance costs; (iv) entertainment expenses; and (v) rent and government rates.

Administrative expenses decreased to approximately HK\$6.3 million for the three months ended 30 June 2020 from approximately HK\$7.1 million for the three months ended 30 June 2019, representing a decrease of approximately 11.5%. Such decrease was mainly attributable to the decrease in legal and professional fee and entertainment expenses.

Finance costs

The Group's finance costs increased by approximately 2.6%, from approximately HK\$190,000 for the three months ended 30 June 2019 to approximately HK\$195,000 for the three months ended 30 June 2020. The slight increase was mainly due to increase in bank borrowings taken out by the Group to finance daily operations.

Income tax expense

Income tax credit for the three months ended 30 June 2020 amounted to approximately HK\$41,000 (for the three months ended 30 June 2019: income tax expense of approximately HK\$84,000). The income tax credit mainly derived from the deferred tax charge for lesser capital allowance being entitled for the three months ended 30 June 2020.

Loss and total comprehensive loss attributable to owners of the Company

Loss and total comprehensive loss for the period decrease from approximately HK\$5.4 million for the three months ended 30 June 2019 to approximately HK\$4.5 million for the three months ended 30 June 2020. Such decrease was mainly attributable to the net effect of (i) the net reversal of impairment loss in respect of trade receivables and (ii) the decrease in legal and professional fee as discussed above.

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 30 June 2020 (2019: Nil).

FUTURE PROSPECTS

Since the outbreak of the COVID-19, our Australian market has recovered quicker as compared to other markets. Meanwhile, revenue from the Australian market had increased to 16.3% of our total revenue for the year ended 31 March 2020 from 11.5% of the year of 2019. We will allocate more resources to enhance the growth in the Australian market. The concept of sustainability is preferred in the Australian market and is becoming a rising trend in the European market as well. We will continue to focus our products development with the concept of sustainability.

In view of the uncertainty in the European and the U.S. markets, we will continue to adopt a cautious approach to maintain our sales in these markets and to catch up any demand from the potential rebound.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2020, the interests or short positions of the Directors and the 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 are required (a) to be notified to the Company and the Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including any interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long position in the shares of the Company

Name of Director	Capacity/nature of interest	Number of interested shares	Approximate percentage of the Company's issued share capital
Mr. Leung Kwok Hung Wilson (" Mr. Leung ") (note)	Interest in a controlled corporation	280,000,000	70%
Ms. Tam Shuk Fan (" Ms. Tam ") (note)	Interest in a controlled corporation	280,000,000	70%

Note: Such 280,000,000 shares are registered in the name of Giant Treasure Development Limited ("**Giant Treasure**"), a company beneficially owned as to 50% by Mr. Leung and 50% by Ms. Tam. Mr. Leung and Ms. Tam are husband and wife. Therefore, each of Mr. Leung and Ms. Tam is deemed to be interested in all the shares held by Giant Treasure under the SFO.

Save as disclosed above and so far as is known to the Directors, as at 30 June 2020, none of the Directors nor chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or 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 any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the Register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 of the GEM Listing Rules.

INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 June 2020, so far as it is known to the Directors, the following persons, other than Directors or chief executive of the Company, who held interest or short position in the Shares and underlying Shares were recorded in the register of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the Register required to be kept by the Company pursuant to Section 336 of the SFO or who was interested, directly or indirectly, in 5% or more of the issued voting shares of the Company:

Long positions in the shares of the Company

Name of Shareholder	Capacity/nature of interest	Number of shares held	Approximate percentage of the shareholding
Giant Treasure	Beneficial owner	280,000,000 (note)	70%

Note: Such 280,000,000 shares are registered in the name of Giant Treasure a Company beneficially owned as to 50% by Mr. Leung and 50% by Ms. Tam. Mr Leung and Ms. Tam are husband and wife. Therefore, each of Mr. Leung and Ms. Tam is deemed to be interested in all the shares held by Giant Treasure under the SFO.

Save as disclosed above, as at 30 June 2020, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed "Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation" above) who had, or deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO or who was interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed in this report, at no time during the three months ended 30 June 2020 was the Company or any of its subsidiaries or fellow subsidiaries a party to an arrangement that would enable the Directors or their close associates to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

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

During the three months ended 30 June 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

For the period ended 30 June 2020, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with Group.

A deed of non-competition dated 20 March 2018 was entered into by the controlling shareholders in favour of the Company (for itself and as trustee for its subsidiaries), details of which are set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company had appointed Messis Capital Limited ("**Messis**") to be the compliance adviser. As at 30 June 2020, as notified by Messis, except for the compliance adviser agreement entered into between the Company and Messis dated 28 September 2017, neither Messis nor any of its directors or employees or associates, had or may have, any interest in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities).

COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

The Board has adopted and complied with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company had complied with all the code provisions of the CG Code up to the date of this report, except a deviation from the CG Code provision A.2.1.

Pursuant to code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Leung is the chairman and the chief executive officer of the Company. Considering that Mr. Leung has been operating and managing the Group since 2008, the Board believes that Mr. Leung would provide a strong and consistent leadership to the Group. Therefore, the Board considers that the deviation from paragraph A.2.1 of the CG Code is appropriate in such circumstance.

COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Model Code**”). The Company had also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the Model Code by the Directors during the three months ended 30 June 2020 and up to the date of this report.

EVENT AFTER THE END OF REPORTING PERIOD

Save as disclosed in this report, the Board is not aware of any significant events affecting the Group after the reporting period and up to the date of this report.

AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) with written terms of reference in compliance with paragraph C.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Lau Yau Chuen Louis, Mr. Lee Kwun Ting and Ms. Cheung Wai Man. Mr. Lau Yau Chuen Louis has been appointed as the chairman of the Audit Committee and is the independent non-executive Director with the appropriate professional qualifications.

The Audit Committee had reviewed the unaudited condensed consolidated financial results of the Company for the three months ended 30 June 2020 and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosure have been made.

By Order of the Board
i.century Holding Limited
Leung Kwok Hung Wilson
*Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 12 August 2020

As at the date of this report, the executive Directors are Mr. Leung Kwok Hung Wilson, Ms. Tam Shuk Fan and Ms. Lee Yin Mei and the independent non-executive Directors are Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting.

This report will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of its publication and on the Company’s website at www.icenturyholding.com.