

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



century

THIRD
QUARTERLY
REPORT
2021

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This quarterly report, for which the directors (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 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 quarterly 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 quarterly 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

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

AUDITORS

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

REGISTERED OFFICE IN CAYMAN ISLANDS

Cricket Square
Hutchins Drive
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Grand Cayman, KY1-1111
Cayman Islands

***HEADQUARTERS AND
PRINCIPAL PLACE OF BUSINESS
IN HONG KONG***

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Elite Industrial Centre
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Lai Chi Kok
Kowloon, Hong Kong

***PRINCIPAL SHARE REGISTRAR
AND TRANSFER OFFICE IN
CAYMAN ISLANDS***

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***

Link Market Services (Hong Kong) Pty
Limited
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28 Queen's Road Central
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\$125.4 million for the nine months ended 31 December 2021, representing an increase of approximately 100.1% over the corresponding period in 2020.
- The unaudited profit of the Group for the nine months ended 31 December 2021 amounted to approximately HK\$17.7 million, as compared to the loss of HK\$14.3 million in the corresponding period in 2020.
- The Board does not recommend the payment of any dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: Nil).

THIRD QUARTERLY RESULTS

The board of directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated financial results of the Group for the three months and nine months ended 31 December 2021, together with the comparative unaudited figures for the corresponding period in 2020, are as follows:

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

For the three months and nine months ended 31 December 2021

	Note	Three months ended 31 December		Nine months ended 31 December	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	4	34,368	18,903	125,404	62,662
Cost of sales		(25,314)	(15,794)	(100,700)	(51,247)
Gross profit		9,054	3,109	24,704	11,415
Other income	5	38	77	120	1,828
Other gains and losses, net	6	14,902	(1,955)	15,236	(2,190)
Selling and distribution expenses		(1,942)	(1,673)	(5,662)	(4,904)
Administrative expenses		(4,734)	(6,465)	(16,104)	(19,884)
Finance costs	7	(336)	(286)	(964)	(721)
Profit/(Loss) before tax	8	16,982	(7,193)	17,330	(14,456)
Income tax credit	9	149	42	325	112
Profit/(Loss) for the period		17,131	(7,151)	17,655	(14,344)
Other comprehensive income/ (loss)					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operations		-	(5)	(3)	35
Total comprehensive income/ (loss) for the period attributable to owners of the Company		17,131	(7,156)	17,652	(14,309)
Earnings/(Loss) per share					
Basic and diluted (HK cents)	11	4.3	(1.8)	4.4	(3.6)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Attributable to owners of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Contribution reserve HK\$'000	Exchange reserve HK\$'000	(Accumulated losses)/ Retained earnings HK\$'000	Total equity HK\$'000
At 1 April 2020 (Audited)	4,000	43,238	-*	(48)	(11,152)	36,038
Loss for the period	-	-	-	-	(14,344)	(14,344)
Other comprehensive income for the period:						
Exchange differences arising on translation of foreign operations	-	-	-	35	-	35
Total comprehensive loss for the period	-	-	-	35	(14,344)	(14,309)
At 31 December 2020	4,000	43,238	-*	(13)	(25,496)	21,729
At 1 April 2021 (Audited)	4,000	43,238	-*	(12)	(27,843)	19,383
Profit for the period	-	-	-	-	17,655	17,655
Other comprehensive loss for the period:						
Exchange differences arising on translation of foreign operations	-	-	-	(3)	-	(3)
Total comprehensive loss for the period	-	-	-	(3)	17,655	(17,652)
At 31 December 2021	4,000	43,238	-*	(15)	(10,188)	37,035

* The amount is less than HK\$1,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months ended 31 December 2021

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 immediate holding company and 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 ("**Mr. Leung**") and Ms. Tam Shuk Fan ("**Ms. Tam**") (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 shares of the Company (the "**Shares**") have been listed on GEM of the Stock Exchange on 16 April 2018 (the "**Listing Date**").

The unaudited condensed consolidated financial information are presented in Hong Kong dollar ("**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 information of the Group for the nine months ended 31 December 2021 have been prepared 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 Accounts (“**HKICPA**”), the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the GEM Listing Rules, unless otherwise stated.

The unaudited condensed consolidated financial information for the nine months ended 31 December 2021 have been prepared on the historical cost basis.

The unaudited condensed consolidated financial information does not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company’s annual report for the year ended 31 March 2021.

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

During the period, certain new and revised HKFRSs have been issued. The Directors considered that the adoption of new and revised HKFRSs which are effective for the accounting period beginning on 1 April 2021 will not have any material impact on the preparation and presentation of the results and financial conditions of the current and previous periods. For the HKFRSs that are not yet effective nor have not been early adopted, the Group is in the process of making an assessment of the potential impact of the newly issued HKFRSs.

4. REVENUE AND SEGMENT INFORMATION

(a) Disaggregation of revenue from contracts with customers:

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of goods	34,368	18,903	125,404	62,662

(b) Segment information

The Group has one reportable segment which is the provision of SCM services to the Group's customers. Information reported to the directors who are the chief operating decision-makers, for the purpose of resources allocation and assessment of the Group's performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group as follows:

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Customer A	6,329	N/A	20,669	N/A
Customer B	3,171	4,209	19,468	14,569
Customer C	5,625	571	15,119	11,120
Customer D	N/A	805	N/A	8,049

N/A: The customer contributed less than 10% of the total revenue of the Group.

4. REVENUE AND SEGMENT INFORMATION (continued)

Geographical information

The followings table set out information about geographic location of customers is based on the location to which the goods are delivered:

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
United States of America ("U.S.")	14,893	4,669	55,692	35,211
France	248	1,496	1,704	7,903
Other European countries (Note i)	8,869	3,790	36,477	4,812
Australia	9,287	8,216	26,720	11,235
Canada	181	226	896	475
Japan	172	166	2,055	2,186
Other location (Note ii)	718	340	1,860	840
	34,368	18,903	125,404	62,662

Notes:

- (i) Other European countries include Netherlands and United Kingdom.
- (ii) Other locations include New Zealand, South Africa and South Korea.

5. OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Government grants	16	20	48	1,767
Interest income	1	–	42	1
Sundry income	21	57	30	60
	38	77	120	1,828

6. OTHER GAINS AND LOSSES, NET

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Gain on disposal of property	15,513	–	15,513	–
Loss on lease modification	–	–	–	(29)
Net foreign exchange gain/(loss)	10	46	(25)	(28)
(Impairment loss)/Reversal of impairment loss recognised in respect of trade receivables, net	(772)	610	(516)	313
Bad debt recovered	109	83	275	248
Bad debts written off	–	(1,004)	–	(1,004)
Reversal of impairment loss/(Impairment loss) recognised in respect of deposits and other receivables, net	42	–	(11)	–
Written-off of property, plant and equipment	–	(1,690)	–	(1,690)
	14,902	(1,955)	15,236	(2,190)

7. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interest on bank overdrafts	32	258	596	658
Interest on bank borrowings	31	25	88	52
Interest on loans from related company	250	–	250	–
Interest on bills payables	–	–	3	–
Interest on lease liabilities	23	3	27	11
	336	286	964	721

8. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been arrived at after charging:

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Auditors' remuneration	183	142	428	440
Depreciation of property, plant and equipment	289	280	927	1,197
Depreciation of right-of- use assets	322	35	391	143
Rental expenses in respect of short-term leases	65	263	617	772
Cost of inventories sold	25,094	15,203	95,277	47,929
Staff costs including Directors' remuneration (Note)				
– Salaries and wages	4,675	5,907	14,340	17,528
– Staff benefits	92	55	185	163
– Retirement benefit scheme contributions	171	191	562	592
	4,938	6,153	15,087	18,283

Note: Staff costs including Directors' remuneration included in "Selling and distribution expenses" are salaries and wages of approximately HK\$4,849,000 (nine months ended 31 December 2020: HK\$4,455,000) and retirement benefit scheme contributions of approximately HK\$315,000 (nine months ended 31 December 2020: HK\$314,000).

9. INCOME TAX CREDIT

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax				
– Hong Kong Profits Tax	-	-	-	-
– Overseas taxation	-	-	-	(8)
	-	-	-	(8)
Deferred tax				
– Credit for the period	149	42	325	120
	149	42	325	112

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2020: 16.5%).

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 nine months ended 31 December 2021 and 2020.

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

9. INCOME TAX CREDIT (continued)

No provision for Hong Kong Profits Tax had been made as the Group has sufficient tax losses brought forward to set off the current period's assessable profit.

No provision for PRC Enterprise Income Tax had been made as the Group had no assessable profit for the period ended 31 December 2021.

10. DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 31 December 2021 and 2020.

11. EARNINGS/(LOSS) PER SHARE

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

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Earnings/(Loss)				
Earnings/(loss) for the purpose of calculating basic earnings/(loss) per share	17,131	(7,151)	17,655	(14,344)
	'000	'000	'000	'000
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	400,000	400,000	400,000	400,000

No diluted earnings/(loss) per share was presented as there was no potential dilutive shares outstanding during the three months and nine months ended 31 December 2021 and 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., Europe and Australia, 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.

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 specifications 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 located in the PRC.

BUSINESS REVIEW

The Group recorded revenue of approximately HK\$125.4 million for the nine months ended 31 December 2021, representing an increase of approximately 100.1% as compared to the amount of approximately HK\$62.7 million for the nine months ended 31 December 2020.

The Group's gross profit increased from approximately HK\$11.4 million for the nine months ended 31 December 2020 to approximately HK\$24.7 million for the nine months ended 31 December 2021. The overall gross profit margin increased from 18.2% for the nine months ended 31 December 2020 to approximately 19.7% for the nine months ended 31 December 2021. The increase in the gross profit and gross profit margin was mainly attributable to the increase in sales volume as a result of the resumption and recovery from the impact of COVID-19.

The Group's total comprehensive income attributable to owners of the Company turned around to approximately HK\$17.7 million for the nine months ended 31 December 2021 as compared with a loss of HK\$14.3 million with the corresponding period. The turn around from loss to profit mainly attributable to (i) the increase in the Group's revenue and gross profit; and (ii) the gain on disposal of property of approximately HK\$15.5 million.

FINANCIAL REVIEW

Revenue

The Group's revenue was mainly derived from the sales of its key apparel products, such as jackets, woven shirts, pullovers, pants, shorts, T-shirts and other products, including dress, top and accessories, such as face mask and bags, through the provision of apparel SCM services to our customers. For the nine months ended 31 December 2021, the Group recorded an unaudited revenue of approximately HK\$125.4 million, representing an increase of approximately 100.1% comparing with that of approximately HK\$62.7 million for the nine months ended 31 December 2020. The significant increase in revenue was mainly due to increase in sales volume.

The following table sets out a breakdown of the Group's unaudited revenue by product categories for the nine months ended 31 December 2021 and 2020:

Product category	Nine months ended 31 December			
	2021		2020	
	HK\$'000 (Unaudited)	% (Unaudited)	HK\$'000 (Unaudited)	% (Unaudited)
Jackets	31,096	24.8	23,453	37.4
Woven shirts	14,563	11.6	7,317	11.7
Pullovers	33,055	26.4	14,479	23.1
Pants and shorts	21,749	17.3	10,472	16.7
T-shirts	14,965	11.9	3,078	4.9
Other products (Note)	9,976	8.0	3,863	6.2
	125,404	100.0	62,662	100.0

Note: Other products include, for example, dress, vests and accessories such as face mask and bags.

During the nine months ended 31 December 2021, the sales volume of the Group amounted to 1,277,588 units of finished products as compared to 604,486 units for the nine months ended 31 December 2020. Set out below are the total sales quantities of each product category for each of the nine months ended 31 December 2021 and 2020:

Product category	Nine months ended 31 December			
	2021		2020	
	Unit sold (Unaudited)	% (Unaudited)	Unit sold (Unaudited)	% (Unaudited)
Jackets	171,485	13.4	112,757	18.7
Woven shirts	139,581	10.9	62,956	10.4
Pullovers	327,431	25.6	238,859	39.5
Pants and shorts	222,595	17.4	94,440	15.6
T-shirts	224,459	17.6	56,390	9.3
Other products (Note)	192,037	15.1	39,084	6.5
	1,277,588	100.0	604,486	100.0

Note: Other products include, for example, dress, top and accessories such as face mask and bags.

The selling price of each of the product categories depends primarily on, among other things, purchase cost, our expected profit margin as well as overhead expenses. 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 nine months ended 31 December 2021 and 2020:

Product category	Nine months ended 31 December		
	2021	2020	
	Average	Average	
	selling price	selling price	Rate of
(Note i)	(Note i)	change	
HK\$	HK\$	%	
(Unaudited)	(Unaudited)	(Unaudited)	
Jackets	181.3	208.0	(12.8)
Woven shirts	104.3	116.2	(10.2)
Pullovers	101.0	60.6	66.5
Pants and shorts	97.7	110.9	(11.9)
T-shirts	66.7	54.6	22.2
Other products (Note ii)	52.0	98.9	(47.4)
Overall	98.16	103.7	(5.3)

Notes:

- (i) The average selling price represents the revenue for the period divided by the total sales quantities for the period.
- (ii) Other products include, for example dress, vests and accessories such as face mask 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 increased from approximately HK\$51.2 million for the nine months ended 31 December 2020 to approximately HK\$100.7 million for the nine months ended 31 December 2021. Such increase was in line with the total sales volume.

Gross profit and gross profit margin

The Group's gross profit increase by approximately 116.4% from approximately HK\$11.4 million for the nine months ended 31 December 2020 to approximately HK\$24.7 million for the nine months ended 31 December 2021. The Group's gross profit margin increased from approximately 18.2% for the nine months ended 31 December 2020 to approximately 19.7% for the nine months ended 31 December 2021. The increase in the gross profit and gross profit margin was mainly attributable to the increase in sales volume as a result of the resumption and recovery from the impact of COVID-19.

Other income

Other income mainly consists of (i) bank interest income, (ii) government grants and (iii) sundry income. The Group's other income decreased by approximately 93.4% from approximately HK\$1.8 million for the nine months ended 31 December 2020 to approximately HK\$0.1 million for the nine months ended 31 December 2021. The decrease in other income was mainly attributable to the decrease in government grants.

Other gains and losses, net

Other gains and losses consist of (i) gain on disposal of property, (ii) net foreign exchange, (iii) reversal of impairment loss recognised in respect of trade receivables and (iv) bad debts recovered. The Group's recorded other gains to approximately HK\$15.2 million for the nine months ended 31 December 2021 as compared with other losses of approximately HK\$2.2 million for the nine months ended 31 December 2020, the net gain was mainly attributable to the gain on disposal of property of approximately HK\$15.5 million.

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 increased by approximately 15.5% from approximately HK\$4.9 million for the nine months ended 31 December 2020 to approximately HK\$5.7 million for the nine months ended 31 December 2021. The net increase in the selling and distribution expenses was mainly attributable to the annual salary increment and increase headcount in our Australian representative office.

Administrative expenses

Administrative expenses primarily comprise of (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\$16.1 million for the nine months ended 31 December 2021 from approximately HK\$19.9 million for the nine months ended 31 December 2020, representing a decrease of approximately 19.0%. Such decrease was mainly attributable to the voluntarily reduced staff costs from general and administrative staff.

Finance costs

The Group's finance costs increased by approximately 33.7%, from approximately HK\$0.7 million for the nine months ended 31 December 2020 to approximately HK\$1.0 million for the nine months ended 31 December 2021. The increase was mainly due to the increase in borrowing from related company taken out by the Group to finance daily operations.

Income tax credit

Income tax credit of the Group increased from approximately HK\$112,000 for the nine months ended 31 December 2020 to approximately HK\$325,000 for the nine months ended 31 December 2021. The income tax credit mainly derived from the reversal of deferred tax liability for less capital allowance being entitled for the nine months ended 31 December 2021.

Total comprehensive income/(loss) attributable to owners of the Company

Total comprehensive income for the period was approximately HK\$17.7 million for the nine months ended 31 December 2021, as compared to total comprehensive loss for the period was approximately HK\$14.3 million for the nine months ended 31 December 2020. Such improvement was mainly attributable to the increase in revenue and gross profit during the nine months ended 31 December 2021 when comparing with that of the same period in previous period and gain on disposal of property as discussed above.

DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: Nil).

FUTURE PROSPECTS

The U.S. and the European economy is rebounding from the pandemic recession in the year of 2021. The overall revenue arises to approximately HK\$125.4 million for the nine months ended 31 December 2021 and HK\$62.7 million as compared to corresponding period in 2020. However, the impact of COVID-19 went viral across the U.S. and Europe almost of the end of year 2021, the Group expects more sales to be generated from the Australia in the coming months. Accordingly, the Group will consist with last year strategy to focus development of the Australia market and reallocate more resources from the U.S. to the Australia. While the Australia encourage concept of sustainability into apparel products, it also coincide the global trendy of environmental friendly product development. The Group therefore will stress on the development of such concept in line with the future strategy.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 31 December 2021, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (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 and short positions in 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 (the “Register”); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

Long position in the shares of the Company

Name of Directors	Capacity/ nature of interest	Number of interested shares	Approximate percentage of the Company's issued share capital
Mr. Leung	Interest in a controlled corporation	280,000,000	70%
Ms. Tam	Interest in a controlled corporation	280,000,000	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 and so far as is known to the Directors, as at 31 December 2021, 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 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 to 5.67 of the GEM Listing Rules.

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

So far as the Directors are aware of, as at 31 December 2021, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the shares and underlying shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company:

Long positions in the shares of the Company

Name of Shareholder	Capacity/nature of interest	Number of issued shares held/interested in	Approximate percentage in the Company
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 and so far as is known to the Directors, as at 31 December 2021, the Directors were not aware of any other persons who had, or was deemed to have, interest or short positions in the shares or underlying shares of the Company would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the Register required to be kept by the Company pursuant to Section 336 of the SFO or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this quarterly report, at no time during the nine months ended 31 December 2021 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 nine months ended 31 December 2021, there has been no purchases, sales and redemption of the Company's listed securities by the Company or any of its subsidiaries.

NON-COMPETITION UNDERTAKINGS BY CONTROLLING SHAREHOLDERS

For the period ended 31 December 2021, the Directors were not aware of any business or interest of the Directors, the controlling shareholders (as defined under the GEM Listing Rules), 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 the 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.

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 enquiries to all the Directors and the Company was not aware of any non-compliance with the Model Code by the Directors during the nine months ended 31 December 2021 and up to the date of this quarterly report.

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 provisions of the CG Code up to the date of this quarterly report, except the deviation from provision A.2.1 of the CG Code.

Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate 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 provision A.2.1 of the CG Code is appropriate in such circumstance.

EVENT AFTER THE REPORTING PERIOD

There is no significant event subsequent to 31 December 2021 which would materially affect the Group's operating and financial performance.

AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) with written terms of reference which are no less exacting terms than those set out in the CG Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules. Currently, the Audit Committee consists of three independent non-executive Directors, namely Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting, and 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 this quarterly report and the unaudited condensed consolidated results of the Company for the nine months ended 31 December 2021, 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, 11 February 2022

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