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Icicle Group Holdings Limited

冰雪集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8429)

ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of Icicle Group Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”, “ICICLE”, “we” or “our”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 announcement 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 announcement misleading.

UNAUDITED FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated quarterly results of the Group for the three months ended 31 March 2018 (the “Unaudited Condensed Consolidated Financial Statements”), together with the unaudited comparative figures for the corresponding period in 2017 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the three months ended 31 March 2018

	Notes	For the three months ended 31 March	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Revenue	3	21,798	16,126
Other income and gains	3	291	218
Outsourced project costs		(8,649)	(3,970)
Materials and consumables		(1,974)	(2,575)
Listing expenses		—	(3,310)
Depreciation and amortisation expenses		(424)	(393)
Employee benefits expense		(5,319)	(4,565)
Rental expenses		(1,674)	(1,112)
Transportation fee		(1,846)	(1,299)
Other operating expenses		(1,578)	(704)
Profit/(loss) before income tax		625	(1,584)
Income tax expense	4	(145)	(281)
Profit/(loss) for the period attributable to the owners of the Company		480	(1,865)
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operation		475	86
Other comprehensive income for the period, net of income tax		475	86
Total comprehensive income/(expense) for the period attributable to the owners of the Company		955	(1,779)
Earnings/(loss) per share attributable to the owners of the Company	6		
Basic and diluted (HK cents)		0.10	(0.52)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2018

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
As at 1 January 2018 (audited)	<u>4,800</u>	<u>53,851</u>	<u>11,993</u>	<u>(621)</u>	<u>13,859</u>	<u>83,882</u>
Profit for the period	—	—	—	—	480	480
Other comprehensive income: Exchange differences arising on translation of foreign operation	<u>—</u>	<u>—</u>	<u>—</u>	<u>475</u>	<u>—</u>	<u>475</u>
Total comprehensive income for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>475</u>	<u>480</u>	<u>955</u>
As at 31 March 2018 (unaudited)	<u><u>4,800</u></u>	<u><u>53,851</u></u>	<u><u>11,993</u></u>	<u><u>(146)</u></u>	<u><u>14,339</u></u>	<u><u>84,837</u></u>
As at 1 January 2017 (audited)	<u>—</u>	<u>—</u>	<u>11,993</u>	<u>(1,066)</u>	<u>31,205</u>	<u>42,132</u>
Loss for the period	—	—	—	—	(1,865)	(1,865)
Other comprehensive income: Exchange differences arising on translation of foreign operation	<u>—</u>	<u>—</u>	<u>—</u>	<u>86</u>	<u>—</u>	<u>86</u>
Total comprehensive income/ (expense) for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>86</u>	<u>(1,865)</u>	<u>(1,779)</u>
Issue of share upon incorporation	—*	—	—	—	—	—*
Interim dividends to the then owners of the Group prior to the listing (Note 5)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(14,999)</u>	<u>(14,999)</u>
As at 31 March 2017 (unaudited)	<u><u>—*</u></u>	<u><u>—</u></u>	<u><u>11,993</u></u>	<u><u>(980)</u></u>	<u><u>14,341</u></u>	<u><u>25,354</u></u>

* Less than HK\$1,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2018

1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law Chapter 22 of the Cayman Islands on 20 January 2017. The registered office of the Company is located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The shares of the Company (the “Shares”) are listed on GEM of the Stock Exchange since 8 December 2017 (the “Listing Date”) by way of share offer of 120,000,000 new Shares (“Share Offer”) offered by the Company at an offer price of HK\$0.55 per Share. The Company’s principal place of business is located at Unit 4, 12/F., 18 King Wah Road, North Point, Hong Kong.

The Company is an investment holding company. The principal activity of the Group is provision of marketing production services.

2. BASIS OF PREPARATION AND PRESENTATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and the applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). However, it does not contain sufficient information to constitute interim financial statements as defined in HKFRSs. The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2017.

The accounting policies adopted in the preparation of the Unaudited Condensed Consolidated Financial Statements are same as those applied in the preparation of the Group’s annual financial statements for the year ended 31 December 2017, except for the new and revised HKFRSs and interpretations issued by HKICPA that are first effective or available for early adoption for the current accounting period of the Company. There has been no significant change to the accounting policy applied in this Unaudited Condensed Consolidated Financial Statements for the period presented as a result of adoption of these amendments.

The preparation of the Unaudited Condensed Consolidated Financial Statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise their judgements in the process of applying the Group’s accounting policies.

Pursuant to the corporate reorganisation, the Company became the holding company of the subsidiaries now comprising the Group on 16 November 2017 (the “Corporate Reorganisation”), the details of which are set out in the prospectus of the Company dated 27 November 2017 (the “Prospectus”). The Group was regarded as a continuing entity resulting from the Corporate Reorganisation since the insertion of the Company as the new holding company at the top of Icicle Group Limited had no commercial substance and did not form a business combination and all companies in the Group are considered to be under common control of Ms. Woo Chan Tak Chi Bonnie (“Ms. Bonnie Chan Woo”). Accordingly, the comparative figures of the Unaudited Condensed Consolidated Financial Statements have been prepared using the principles of merger accounting as if the current group structure had been in existence since 1 January 2017, or since the respective dates of incorporation of the relevant entity.

The Unaudited Condensed Consolidated Financial Statements have been prepared on historical cost basis. The Unaudited Condensed Consolidated Financial Statements are presented in Hong Kong dollar (“HK\$”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

The Unaudited Condensed Consolidated Financial Statements have not been audited by the Company’s independent auditor, but have been reviewed by the Company’s Audit Committee (the “Audit Committee”).

3. REVENUE AND OTHER INCOME AND GAINS

An analysis of the Group’s revenue, and other income and gains for the periods is as follows:

	For the three months ended	
	31 March	
	2018	2017
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(unaudited)	(unaudited)
Revenue		
Revenue from provision of marketing production services	<u>21,798</u>	<u>16,126</u>
Other income and gains		
Administrative service income	6	88
Income from provision of art and calligraphy workshop	38	52
Income from sales of paper products and calligraphy stationery	68	46
Interest income	142	6
Net exchange gain	22	23
Sundry income	<u>15</u>	<u>3</u>
	<u>291</u>	<u>218</u>

4. INCOME TAX EXPENSE

	For the three months ended	
	31 March	
	2018	2017
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(unaudited)	(unaudited)
Income tax expense comprises:		
Hong Kong Profits Tax		
— current tax for the period	<u>145</u>	<u>281</u>
Income tax expense	<u>145</u>	<u>281</u>

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

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax under these jurisdictions during the period (2017: Nil).

Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) on the estimated assessable profits for the period.

No provision for Enterprise Income Tax (“EIT”) has been made for the subsidiary established in the People’s Republic of China (the “PRC”) as the subsidiary did not have any assessable profits subject to EIT in the PRC during the period (2017: Nil).

Pursuant to the EIT Law, 5% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise’s profits earned after 1 January 2008. As at 31 March 2018, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiary amounted to approximately HK\$432,000 (2017: Nil). Deferred tax liabilities of approximately HK\$22,000 (2017: Nil) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company is in a position to control the dividend policy of the PRC subsidiary and it has been determined that it is probable that undistributed profits of the PRC subsidiary will not be distributed in the foreseeable future.

5. DIVIDENDS

(a) Dividends payable to the owners of the Company attributable to the period

The Board does not recommend the payment of any dividend for the three months ended 31 March 2018 (2017: Nil).

(b) Dividends paid to the then owners of the subsidiary of the Group prior to the listing

During the three months ended 31 March 2017, interim dividends of HK\$14,999,000, representing dividends payable by the Company’s subsidiary, Icicle Group Limited, to its then owners for the three months ended 31 March 2017, were approved by the written resolution of directors dated 30 March 2017.

The rate of dividend and the number of shares ranking for dividend is not presented as such information is not meaningful having regard to the purpose of the Unaudited Condensed Consolidated Financial Statements.

6. EARNINGS/(LOSS) PER SHARE

The calculations of basic earnings/(loss) per Share are based on the profit of approximately HK\$480,000 (2017: loss of approximately HK\$1,865,000) for the period attributable to the owners of the Company and the weighted average number of 480,000,000 (2017: 360,000,000) Shares in issue during the period.

The 360,000,000 Shares used to calculate the basic earnings per Share for the three months ended 31 March 2017 represents the number of Shares of the Company immediately prior to the listing of the Company’s Shares on GEM as if the Shares had been in issue throughout the three months ended 31 March 2017.

Diluted earnings/(loss) per Share were same as the basic earnings/(loss) per Share as there were no dilutive potential ordinary Shares in existence during the periods.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

During the three months ended 31 March 2018, while we have achieved significant growth in our core business in physical media production and management, we have also made significant progress in building and offering digital media service. On one hand, we have successfully launched our social media influencer marketing service in partnership with an international market leader in the digital media segment and arrived at a satisfactory performance thus far. On the other hand, we have successfully taken part in the integrated branding and marketing production work of a publicly known Hong Kong art event which solidified our scope to connecting brands to a dynamic market.

Looking ahead, we will continue to focus on our core business and to explore opportunities to enlarge our capability and offering, and to firmly establish ourselves as a cutting-edge service provider in digital media service in order to drive growth in our business and maximise the long-term returns for the shareholders of the Company (the “Shareholders”).

FINANCIAL REVIEW

Revenue

The Group’s revenue is principally generated from the provision of marketing production services which are categorised into (i) physical media production and management; (ii) digital media production; and (iii) cross media development. During the three months ended 31 March 2018, the Group’s revenue increased by approximately HK\$5.7 million, representing 35.2%, to approximately HK\$21.8 million as compared to the corresponding period in 2017. The significant increase was mainly attributable to the increase in physical media production and management of approximately HK\$5.0 million and digital media production of approximately HK\$0.9 million due to increase in number of projects and also high-value projects during the period.

Outsourced project costs

Outsourced project costs consist of printing costs and other outsourced project costs such as video production costs. During the three months ended 31 March 2018, the Group’s outsourced project costs increased by approximately HK\$4.7 million, representing 117.9%, to approximately HK\$8.6 million as compared to the corresponding period in 2017. The significant increase was directly attributable to the increase in revenue from physical media production and management.

Materials and consumables

Materials and consumables are expenses on papers and other materials sourced by the Group for the marketing production. During the three months ended 31 March 2018, the Group’s materials and consumables decreased by approximately HK\$0.6 million, representing 23.3%, to approximately HK\$2.0 million as compared to the corresponding period in 2017. The decrease was because more printing jobs have been outsourced to subcontractors.

Listing expenses

During the three months ended 31 March 2018, the Group had not incurred any listing expenses. The listing expenses of approximately HK\$3.3 million for the three months ended 31 March 2017 incurred by the Group in connection with the preparation for the listing of its Shares on GEM were charged to profit or loss.

Employee benefits expense

Employee benefits expense primarily consists of salaries, allowances and benefits in kind, discretionary bonus and retirement benefit scheme contributions. During the three months ended 31 March 2018, the Group's employee benefits expense increased by approximately HK\$0.8 million, representing 16.5%, to approximately HK\$5.3 million as compared to the corresponding period in 2017. The increase was directly attributable to increase in average number of staff and average salaries.

Rental expenses

Rental expenses primarily represent the rental expenses paid for office premises and warehouse in Hong Kong and the rents for the printing machines for confidential data printing services. During the three months ended 31 March 2018, the Group's rental expenses increased by approximately HK\$0.6 million, representing 50.5%, to approximately HK\$1.7 million as compared to the corresponding period in 2017. The increase was directly attributable to leasing of new office premises as the Group's Hong Kong headquarters.

Transportation fee

Transportation fee consists of fees paid to logistic service providers for (i) delivery of products to clients; and (ii) postage incurred in respect of the direct mailing services. During the three months ended 31 March 2018, the Group's transportation fee increased by approximately HK\$0.5 million, representing 42.1%, to approximately HK\$1.8 million as compared to the corresponding period in 2017. The increase was directly attributable to the overall increase in revenue of the Group.

Other operating expenses

Other operating expenses primarily consist of auditor's remuneration, consultancy fee, professional fee, rates and building management fee, utilities and office expenses. During the three months ended 31 March 2018, the Group's other operating expenses increased by approximately HK\$0.9 million, representing 124.1%, to approximately HK\$1.6 million as compared to the corresponding period in 2017. The increase was primarily due to the increase in auditor's remuneration, compliance advisory fee, listing fee to the Stock Exchange and company secretarial fees.

Profit/(loss) for the period

During the three months ended 31 March 2018, the Group recorded profit of approximately HK\$0.5 million. During the three months ended 31 March 2017, the Group recorded loss of approximately HK\$1.9 million. By excluding the effect of the one-off non-recurring listing expenses of approximately HK\$3.3 million, the Group should have recorded profit of approximately HK\$1.4 million for the three months ended 31 March 2017.

USE OF PROCEEDS

The following table sets forth the status of the use of proceeds from the Share Offer up to 31 March 2018:

	Total planned use of proceeds as stated in the Prospectus up to 31 December 2019 <i>HK\$000</i>	Actual use of proceeds up to 31 March 2018 <i>HK\$000</i>	Remaining unused net proceeds as at 31 March 2018 <i>HK\$000</i>
Enlarge the social media marketing production capability and offering	8,000	50	7,950
Enhance the overall service offerings and expand the team across three service categories	9,142	187	8,955
Set up a studio and expand the work premises	11,458	3,379	8,079
Business development	8,280	—	8,280
Staff development	3,120	111	3,009
General working capital	3,800	1,140	2,660
Total	<u>43,800</u>	<u>4,867</u>	<u>38,933</u>

The planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

The remaining unused net proceeds as at 31 March 2018 were placed as bank balances with licensed banks in Hong Kong and will be applied according to the intended usage stated in the Prospectus.

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

As at 31 March 2018, the Group had net current assets of approximately HK\$82.5 million (31 December 2017: HK\$81.6 million), including cash and cash equivalents balances of approximately HK\$69.9 million (31 December 2017: HK\$65.9 million) mainly denominated in Hong Kong dollars.

The gearing ratio of the Group as at 31 March 2018 was nil (2017: Nil) as the Group was not in need of any material debt financing during the period. The gearing ratio is calculated as total debt divided by total equity as at the respective period end.

There has been no change in the capital structure of the Company during the three months ended 31 March 2018. The equity attributable to owners of the Company amounted to approximately HK\$84.8 million as at 31 March 2018 (31 December 2017: HK\$83.9 million).

PLEDGE OF ASSETS

As at 31 March 2018, the Group did not have any assets pledged for credit facilities.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2018, the Group did not have any material capital commitment and contingent liability (31 December 2017: Nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the three months ended 31 March 2018, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and affiliated companies.

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

During the three months ended 31 March 2018 and up to the date of this announcement, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER THE REPORTING PERIOD

The Group has no significant events after the reporting period.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

Directors' and Chief Executive's interests and short positions in the shares, underlying shares or Debentures of the Company and its associated corporations

As at 31 March 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were 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 were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

(i) *Interests in the Shares of the Company*

Name of Director	Nature of interest	Number of Shares held ⁽¹⁾	Shareholding percentage
Ms. Bonnie Chan Woo ⁽²⁾	Interest in a controlled corporation	277,200,000 (L)	57.75%
Mr. Chow Sai Yiu Evan ("Evan Chow") ⁽³⁾	Interest in a controlled corporation	82,800,000 (L)	17.25%

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Explorer Vantage Limited ("Explorer Vantage") was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares held by Explorer Vantage.
3. Hertford Global Limited ("Hertford Global") was incorporated in the BVI and is beneficially and wholly-owned by Mr. Evan Chow. By virtue of the SFO, Mr. Evan Chow is deemed to be interested in the Shares held by Hertford Global.

(ii) *Interests in associated corporation of the Company*

Name of Director	Name of associated corporation	Capacity	Number of Share(s) held⁽¹⁾	Shareholding percentage
Ms. Bonnie Chan Woo	Explorer Vantage ⁽²⁾	Beneficial owner	1 (L)	100%
	Omelas Foundation Limited (“OFL”) ⁽³⁾	Interest in a controlled corporation	5 (L)	100%
	Gooseberries Limited (“GL”) ⁽⁴⁾	Interest in a controlled corporation	10,000 (L)	100%
	Papercom Limited (“Papercom”) ⁽⁵⁾	Interest in a controlled corporation	10,000 (L)	100%

Notes:

1. The letter “L” denotes the person’s long position in the shares.
2. Explorer Vantage is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
3. OFL is beneficially and wholly-owned by Explorer Vantage. Under the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares held by Explorer Vantage.
4. GL is beneficially and wholly-owned by Explorer Vantage. Under the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares held by Explorer Vantage.
5. Papercom is beneficially and wholly-owned by Explorer Vantage. Under the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares held by Explorer Vantage.

Save as disclosed above, as at 31 March 2018, none of the Directors or chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were 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 he will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' Interests in the Shares and Underlying Shares of the Company

As at 31 March 2018, to the knowledge of the Directors, Shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying shares or debentures of the Company 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 required to be kept by the Company under Section 336 of the SFO were as follows:

Interests in the Shares of the Company

Name	Type of interest	Number of Shares held ⁽¹⁾	Percentage of shareholding in the Company
Explorer Vantage ⁽²⁾	Beneficial owner	277,200,000 (L)	57.75%
Hertford Global ⁽³⁾	Beneficial owner	82,800,000 (L)	17.25%
Mr. Darrin Woo ⁽⁴⁾	Interest of spouse	277,200,000 (L)	57.75%

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Explorer Vantage was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
3. Hertford Global was incorporated in the BVI and is beneficially and wholly-owned by Mr. Evan Chow.
4. Mr. Darrin Woo is the spouse of Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares which are interested by Ms. Bonnie Chan Woo.

Save as disclosed above, as at 31 March 2018, to the knowledge of the Directors, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying shares or debentures of the Company 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 required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was adopted and approved by the then Shareholders of the Company on 16 November 2017. Details of the Share Option Scheme are set out in Appendix IV to the Prospectus. No share option has been granted pursuant to the Share Option Scheme since its adoption.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed above, at no time during the three months ended 31 March 2018 and up to the date of this announcement, have the Directors and the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interest in, or had been granted, or exercised any rights to subscribe for Shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above in the section “Share Option Scheme”, at no time during the three months ended 31 March 2018 and up to the date of this announcement was the Company, any of its subsidiaries, its associated companies or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the Shares or underlying shares in, or debentures of, the Company and/or its associated corporations (within the meaning of the SFO).

DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the three months ended 31 March 2018 and up to the date of this announcement, none of the Directors, nor the substantial Shareholders nor their respective close associates (as defined under the GEM Listing Rules) had any interests (other than their interest in the Company or its subsidiaries) in any business which competed or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

DEED OF NON-COMPETITION

The Deed of Non-Competition dated 16 November 2017 (as defined in the Prospectus) was entered into by Explorer Vantage and Ms. Bonnie Chan Woo in favour of the Company (for the Company and for the benefit of its subsidiaries) regarding non-competition undertakings. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed “Relationship with our Controlling Shareholders — Deed of Non-competition” and the non-competition undertaking has become effective from the Listing Date.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the “Model Code”) 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 Company has confirmed that, having made specific enquiry of all the Directors, all Directors have complied with the Model Code during the period.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she was a Director.

COMPLIANCE ADVISER’S INTERESTS

As notified by Ballas Capital Limited (“Ballas”), compliance adviser of the Company, neither Ballas nor any of its close associates and none of the directors or employees of Ballas had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance in emphasising a quality board of directors, sound internal control, transparency and accountability with a view to safeguard the interests of all the Shareholders. The Board has adopted the principles and the code provisions of Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules. In accordance with the requirements of the GEM Listing Rules, the Company has established the Audit Committee, a nomination committee and a remuneration committee with specific written terms of reference. During the three months ended 31 March 2018 and up to the date of this announcement, the Company has complied with all the code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules except for the deviation from code provision A.2.1 as detailed below.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current structure of the Company, Ms. Bonnie Chan Woo is the Chairperson and the chief executive officer of the Company (“CEO”). In view that Ms. Bonnie Chan Woo has been managing the Group’s business and overall strategic planning since August 2002. The Board believes that the vesting of the roles of the Chairperson of the Board and CEO in Ms. Bonnie Chan Woo is beneficial to the business operations and management of the Group as it provides a strong and consistent leadership to the Group, and the current management has been effective in the development of the Group and implementation of business strategies under the leadership of Ms. Bonnie Chan Woo. In allowing the two roles to be vested in the same person, the Board believes both positions require in-depth knowledge and considerable experience in the Group’s business, and Ms. Bonnie Chan Woo is the most suitable person to take up both positions for effective management of the Group.

Therefore, the Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstances. Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high-caliber individuals, with three of them being independent non-executive Directors.

Audit Committee and Review of Unaudited Condensed Consolidated Financial Statements

The Audit Committee was established with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald and Mr. Ip Arnold Tin Chee is the chairman of the Audit Committee. The primary duties of the Audit Committee include reviewing and supervising the Group's financial reporting system, monitoring the internal control procedures and risk management, reviewing the Group's financial information and the relationship with the external auditor of the Company, ensuring compliance with the relevant laws and regulations. In addition, the Audit Committee is responsible for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group's management.

The Unaudited Condensed Consolidated Financial Statements have not been audited. The Audit Committee has reviewed with the management of the Group the Unaudited Condensed Consolidated Financial Statements, this quarterly report, the accounting principles and policies adopted by the Group, and other financial reporting matters. The Audit Committee is satisfied that the Unaudited Condensed Consolidated Financial Statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board
Icicle Group Holdings Limited
Woo Chan Tak Chi Bonnie
Chairperson and Chief Executive Officer

Hong Kong, 3 May 2018

As at the date of this announcement, the Board comprises Ms. Woo Chan Tak Chi Bonnie as executive Director, Mr. Chow Sai Yiu Evan as non-executive Director and Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald as independent non-executive Directors.

This announcement will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at www.iciclegroup.com.