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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 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 INTERIM RESULTS

The board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2018 (the “Unaudited Condensed Consolidated Financial Statements”), together with the unaudited comparative figures for the corresponding periods in 2017 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2018

	Notes	Three months ended 30 June		Six months ended 30 June	
		2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Revenue	4	18,978	20,497	40,776	36,623
Other income and gains	4	287	341	556	559
Outsourced project costs		(5,065)	(6,772)	(13,714)	(10,742)
Materials and consumables		(2,752)	(2,084)	(4,726)	(4,659)
Listing expenses		—	(4,299)	—	(7,609)
Depreciation and amortisation expenses		(349)	(383)	(773)	(776)
Employee benefits expense		(4,928)	(4,837)	(10,247)	(9,402)
Rental expenses		(1,922)	(1,183)	(3,596)	(2,295)
Transportation fee		(1,437)	(1,852)	(3,283)	(3,151)
Other operating expenses		(2,164)	(905)	(3,720)	(1,609)
Profit/(loss) before income tax	5	648	(1,477)	1,273	(3,061)
Income tax expense	6	(38)	(622)	(183)	(903)
Profit/(loss) for the period attributable to the owners of the Company		610	(2,099)	1,090	(3,964)
Other comprehensive (expense)/ income:					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operation		(346)	138	129	224
Other comprehensive (expense)/ income for the period, net of income tax		(346)	138	129	224
Total comprehensive income/ (expense) for the period attributable to the owners of the Company		264	(1,961)	1,219	(3,740)
Earnings/(loss) per share attributable to the owners of the Company					
Basic and diluted (HK cents)	8	0.13	(0.58)	0.23	(1.10)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

		At 30 June 2018 <i>HK\$'000</i> (unaudited)	At 31 December 2017 <i>HK\$'000</i> (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	2,659	1,940
Intangible assets		<u>258</u>	<u>357</u>
		<u>2,917</u>	<u>2,297</u>
Current assets			
Inventories		314	335
Trade and other receivables, deposits and prepayments	10	24,716	32,389
Amounts due from related companies	11	309	2,145
Current tax recoverable		196	356
Cash and cash equivalents		<u>72,930</u>	<u>65,939</u>
		<u>98,465</u>	<u>101,164</u>
Current liabilities			
Trade and other payables, accruals and deposits received	12	16,232	19,385
Provision of long service payment		<u>194</u>	<u>194</u>
		<u>16,426</u>	<u>19,579</u>
Net current assets		<u>82,039</u>	<u>81,585</u>
Net assets		<u>84,956</u>	<u>83,882</u>
CAPITAL AND RESERVES			
Share capital	13	4,800	4,800
Reserves		<u>80,156</u>	<u>79,082</u>
Total equity		<u>84,956</u>	<u>83,882</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Operating activities		
Cash generated from/(used in) operations	7,174	(7,537)
Income tax paid	<u>(22)</u>	<u>(149)</u>
Net cash generated from/(used in) operating activities	7,152	(7,686)
Investing activities		
Acquisition of property, plant and equipment	(540)	(146)
Other cash flows arising from investing activities	<u>250</u>	<u>(11)</u>
Net cash used in investing activities	(290)	(157)
Financing activities		
Dividends paid to the then owners of the subsidiary of the Group prior to the listing	—	(3,000)
Advance from a shareholder	<u>—</u>	<u>(8)</u>
Net cash used in financing activities	—	(3,008)
Increase/(decrease) in cash and cash equivalents	6,862	(10,851)
Effect of foreign exchange rate changes	129	228
Cash and cash equivalents at beginning of the period	<u>65,939</u>	<u>36,678</u>
Cash and cash equivalents at end of the period	<u><u>72,930</u></u>	<u><u>26,055</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 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
At 1 January 2018 (audited)	4,800	53,851	11,993	(621)	13,859	83,882
Impact of initial application of Hong Kong Financial Reporting Standard (“HKFRS”) 9 (Note 2)	—	—	—	—	(145)	(145)
At 1 January 2018 (adjusted)	<u>4,800</u>	<u>53,851</u>	<u>11,993</u>	<u>(621)</u>	<u>13,714</u>	<u>83,737</u>
Profit for the period	—	—	—	—	1,090	1,090
Other comprehensive income: Exchange differences arising on translation of foreign operation	—	—	—	129	—	129
Total comprehensive income for the period	—	—	—	129	1,090	1,219
At 30 June 2018 (unaudited)	<u>4,800</u>	<u>53,851</u>	<u>11,993</u>	<u>(492)</u>	<u>14,804</u>	<u>84,956</u>
At 1 January 2017 (audited)	—	—	11,993	(1,066)	31,205	42,132
Loss for the period	—	—	—	—	(3,964)	(3,964)
Other comprehensive income: Exchange differences arising on translation of foreign operation	—	—	—	224	—	224
Total comprehensive income/ (expense) for the period	—	—	—	224	(3,964)	(3,740)
Issue of share upon incorporation (Note 13(a))	—*	—	—	—	—	—*
Interim dividends to the then owners of the Group prior to the listing (Note 7(b))	—	—	—	—	(14,999)	(14,999)
At 30 June 2017 (unaudited)	<u>—*</u>	<u>—</u>	<u>11,993</u>	<u>(842)</u>	<u>12,242</u>	<u>23,393</u>

* Less than HK\$1,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 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”) at an offer price of HK\$0.55 per Share (the “Listing”). 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 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 Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). 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 for the current accounting period of the Company. There has been no significant change to the accounting policy applied in these Unaudited Condensed Consolidated Financial Statements for the period presented as a result of adoption of these amendments, except for adoption of HKFRS 9 “Financial Instruments” in relation to measurement of credit losses.

HKFRS 9 replaces HKAS 39 “*Financial Instruments: Recognition and Measurement*”. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

(i) Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (“FVOCI”) and at fair value through profit or loss (“FVPL”). These supersede HKAS 39’s categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The classification of the Group’s financial assets and liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

(ii) Expected credit losses

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the expected credit loss (“ECL”) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the new ECL model to the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and amounts due from related companies)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

(iii) Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- The Group has taken an exemption not to restate comparative information for prior periods with respect to measurement (including impairment) requirements. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.
- The determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of HKFRS 9 by the Group).
- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

The following table summarises the impact of transition to HKFRS 9 on retained earnings and reserves at 1 January 2018.

	<i>HK\$'000</i>
Retained earnings	
Recognition of ECLs on trade receivables	<u>145</u>
Net decrease in retained earnings at 1 January 2018	<u><u>145</u></u>

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. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 December 2017.

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. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive director of the Company, who is the chief operating decision maker, in order to allocate resources and assess performance of the segment. During the period, executive director of the Company regularly reviewed the consolidated financial position, revenue from provision of marketing services and results of the Group as a whole for the purposes of allocating resources and assessing performance of the Group as a whole.

Therefore, the executive director of the Company considers the Group as one single operating segment during the period which is provision of marketing services. This operating segment comprises three service categories including (a) physical media production and management; (b) digital media production and brand integration; and (c) business strategy and development. The following table sets forth the breakdown of the Group's revenue by service category during the period.

	Six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Physical media production and management		
— Marketing collaterals, branded gifts & packaging	32,944	31,855
— Visual merchandising, retail displays and venue decoration	2,440	852
	35,384	32,707
Digital media production and brand integration	3,103	2,076
Business strategy and development	2,289	1,840
	40,776	36,623

Geographical information

The Company is an investment holding company and the principal place of the Group's operation is mainly in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its country of domicile.

As at 30 June 2018 and 31 December 2017, non-current assets are mainly located in Hong Kong.

Revenue by geographical location of customers, which is based on the principal place of the customers' operation, is set out below:

	Six months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Hong Kong	35,856	33,159
The People's Republic of China (the "PRC")	2,931	1,326
Others	1,989	2,138
	<u>40,776</u>	<u>36,623</u>

Information about major customers

The Group had transactions with the following customers, which contributed more than 10% of the Group's revenue for the period:

	Six months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Customer A	9,095	9,131
Customer B	8,255	8,662
Customer C	5,508	N/A
	<u>5,508</u>	<u>N/A</u>

4. REVENUE AND OTHER INCOME AND GAINS

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

	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue				
Revenue from provision of marketing services	<u>18,978</u>	<u>20,497</u>	<u>40,776</u>	<u>36,623</u>
Other income and gains				
Administrative service income	15	—	30	88
Income from provision of art and calligraphy workshop	55	95	93	147
Income from sales of paper products and calligraphy stationery	24	123	92	169
Interest income	145	6	287	12
Net exchange gain	—	114	—	137
Reversal of provision for impairment loss	41	—	41	—
Sundry income	<u>7</u>	<u>3</u>	<u>13</u>	<u>6</u>
	<u>287</u>	<u>341</u>	<u>556</u>	<u>559</u>

5. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging/(crediting):

	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Amortisation of intangible assets	59	170	136	346
Auditor's remuneration				
— Audit services	10	—	10	—
— Non-audit services (<i>Note</i>)	—	217	—	434
Cost of inventories sold	—	2	21	7
Depreciation of property, plant and equipment	290	213	637	430
Minimum lease payments under operating lease charges for:				
— properties	1,450	786	2,758	1,514
— office equipment	388	337	709	675
Contingent rents for office equipment	84	60	129	106
Net exchange loss/(gain)	58	(114)	36	(137)
Employee benefits expense (including directors' remuneration)				
— Salaries, allowances and benefits in kind	4,720	4,326	9,730	8,480
— Discretionary bonus	—	327	84	546
— Retirement benefit scheme contributions	208	184	433	376
	<u>4,928</u>	<u>4,837</u>	<u>10,247</u>	<u>9,402</u>

Note: Non-audit services represent the services provided by the Company's auditor for acting as the reporting accountants of the Company for the Listing. The amount represents part of the services' fee amounting to HK\$1,200,000 for acting as the reporting accountants, which are expensed in the profit or loss.

6. INCOME TAX EXPENSE

	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income tax expense comprises:				
Hong Kong Profits Tax				
— current tax for the period	(21)	477	124	758
Other jurisdictions				
— Current tax for the period	59	52	59	52
— Under-provision in prior years	—	93	—	93
	<u>59</u>	<u>145</u>	<u>59</u>	<u>145</u>
Income tax expense	<u>38</u>	<u>622</u>	<u>183</u>	<u>903</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 (30 June 2017: Nil).

Hong Kong Profits Tax is calculated at 16.5% (30 June 2017: 16.5%) on the estimated assessable profits for the period, taking into account the tax concession granted by the Hong Kong SAR Government for the year of assessment 2017–2018.

Under the Enterprise Income Tax Law of the PRC (the “EIT Law”) and the Implementation Regulation of the EIT Law, the PRC subsidiary is subject to the tax rate of 25% (30 June 2017: 25%) on the estimated assessable profits during the period.

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 30 June 2018, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiary amounted to approximately HK\$648,000 (30 June 2017: Nil). Deferred tax liabilities of approximately HK\$32,000 (30 June 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.

7. 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 six months ended 30 June 2018 (30 June 2017: Nil).

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

During the six months ended 30 June 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 six months ended 30 June 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.

8. EARNINGS/(LOSS) PER SHARE

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

	Three months ended		Six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings/(loss):				
Profit/(loss) attributable to owners of the Company	<u>610</u>	<u>(2,099)</u>	<u>1,090</u>	<u>(3,964)</u>
	2018	2017	2018	2017
	'000	'000	'000	'000
Number of shares:				
Weighted average number of ordinary shares	<u>480,000</u>	<u>360,000</u>	<u>480,000</u>	<u>360,000</u>
	HK cents	HK cents	HK cents	HK cents
Basic and diluted earnings/(loss) per share	<u>0.13</u>	<u>(0.58)</u>	<u>0.23</u>	<u>(1.10)</u>

The 360,000,000 Shares used to calculate the basic earnings per Share for the three months and six months ended 30 June 2017 represents the number of Shares immediately prior to the Listing as if the Shares had been in issue throughout the period.

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.

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2018, the Group acquired property, plant and equipment with an aggregate cost of approximately HK\$1,394,000 (30 June 2017: HK\$146,000).

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2018 HK\$'000 (unaudited)	At 31 December 2017 HK\$'000 (audited)
Trade receivables, net of impairment loss	19,276	28,829
Deposits paid	3,014	2,525
Prepayments	2,100	860
Other receivables	<u>326</u>	<u>175</u>
	<u>24,716</u>	<u>32,389</u>

The credit period for trade receivables granted to its customers is generally ranging from 30 to 60 days (31 December 2017: 30 to 60 days) from the date of billing for the period.

The ageing analysis of the trade receivables, net of impairment loss, based on invoice date is as follows:

	At 30 June 2018 HK\$'000 (unaudited)	At 31 December 2017 HK\$'000 (audited)
Within 1 month	8,965	11,330
Over 1 month but less than 3 months	4,027	12,380
Over 3 months but less than 1 year	6,054	4,987
Over 1 year	<u>230</u>	<u>132</u>
	<u>19,276</u>	<u>28,829</u>

11. AMOUNTS DUE FROM RELATED COMPANIES

The related companies represent entities of which Explorer Vantage Limited (“Explorer Vantage”), the ultimate holding company, spouse of Ms. Bonnie Chan Woo, an executive director of the Company, and/or Mr. Chow Sai Yiu Evan (“Mr. Evan Chow”), a non-executive director of the Company, are the beneficial owners and controlling members. The amounts due from related companies are trade in nature, unsecured, interest-free and have credit period of 30 days.

12. TRADE AND OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	At 30 June 2018 HK\$'000 (unaudited)	At 31 December 2017 HK\$'000 (audited)
Trade payables	9,041	11,080
Accruals	3,027	5,447
Deposits received	626	411
Other payables	1,734	835
Receipts in advance	<u>1,804</u>	<u>1,612</u>
	<u>16,232</u>	<u>19,385</u>

The credit period granted by suppliers of the Group is generally ranging from 30 to 90 days (31 December 2017: 30 to 90 days) for the period. The ageing analysis of the trade payables based on invoice date is as follows:

	At 30 June 2018 HK\$'000 (unaudited)	At 31 December 2017 HK\$'000 (audited)
Within 1 month	5,972	5,673
Over 1 month but less than 3 months	2,691	4,927
Over 3 months but less than 1 year	378	479
Over 1 year	<u>—</u>	<u>1</u>
	<u>9,041</u>	<u>11,080</u>

13. SHARE CAPITAL

	Number of Shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 20 January 2017 (date of incorporation of the Company) (<i>Note (a)</i>)	38,000,000	380
Increase in authorised share capital on 16 November 2017 (<i>Note (b)</i>)	<u>962,000,000</u>	<u>9,620</u>
At 31 December 2017 and 30 June 2018	<u><u>1,000,000,000</u></u>	<u><u>10,000</u></u>
Issued and fully paid:		
At 20 January 2017 (date of incorporation of the Company)	—	—
Issue of share upon incorporation (<i>Note (a)</i>)	1	—*
Issue of shares arising from the Corporate Reorganisation (<i>Note (c)</i>)	99	—*
Capitalisation issue of shares (<i>Note (d)</i>)	359,999,900	3,600
Issue of shares upon share offering (<i>Note (e)</i>)	<u>120,000,000</u>	<u>1,200</u>
At 31 December 2017 and 30 June 2018	<u><u>480,000,000</u></u>	<u><u>4,800</u></u>

* Less than HK\$1,000

Notes:

- (a) On 20 January 2017, the Company was incorporated in the Cayman Islands with authorised share capital of HK\$380,000 divided into 38,000,000 shares of par value of HK\$0.01 each. On the date of incorporation, 1 share of the Company was allotted and issued at HK\$0.01 to the initial subscriber, who then immediately transferred such share to Explorer Vantage.
- (b) Pursuant to a resolution made at the meeting of the Board of Directors held on 16 November 2017, the authorised share capital was increased from HK\$380,000 to HK\$10,000,000 by creation of an additional 962,000,000 ordinary shares of par value of HK\$0.01 each.
- (c) On 16 November 2017, the Company acquired the entire issued share capital of Icicle Group Limited from Explorer Vantage and Hertford Global Limited (“Hertford Global”). In exchange, the Company allotted and issued 76 and 23 ordinary shares to Explorer Vantage and Hertford Global respectively.
- (d) Pursuant to a resolution made at the meeting of the Board of Directors held on 16 November 2017, 359,999,900 ordinary shares were allotted and issued at par value of HK\$0.01 each to Explorer Vantage and Hertford Global as fully paid at par, on a pro rata basis, by way of capitalisation of the sum of HK\$3,600,000 debited to the share premium account.

- (e) Pursuant to the Listing, 120,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$0.55 per share for a total consideration (before listing expenses) of HK\$66,000,000. Accordingly, the Company's share capital increased by HK\$1,200,000 and the balance of the proceeds of approximately HK\$57,451,000, after deducting the listing expenses that are eligible to be charged in equity of approximately HK\$7,349,000, was credited to the share premium account.

14. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the consolidated financial statements, the Group has the following transactions with its related parties in the normal course of its business and mutually agreed between both parties:

	Six months ended 30 June	
	2018 <i>HK\$'000</i> (unaudited)	2017 <i>HK\$'000</i> (unaudited)
Revenue from provision of marketing production services to celebratethemakers Limited ("CTM") (<i>Note (a)</i>)	—	103
Revenue from provision of marketing production services to NewspaperDirect Limited (<i>Note (b)</i>)	166	255
Revenue from provision of marketing production services to MCL Financial Group Limited (<i>Note (c)</i>)	5	13
Revenue from provision of marketing production services to close family members of Ms. Bonnie Chan Woo	44	—
Revenue from provision of marketing production services to Ms. Bonnie Chan Woo	—	1
Revenue from provision of marketing production services to Studio SV Limited (<i>Note (d)</i>)	—	294
Acquisition of property, plant and equipment from CTM (<i>Note (a)</i>)	—	51
Acquisition of intangible assets from CTM (<i>Note (a)</i>)	—	23
Purchase of paper products and calligraphy stationery from CTM (<i>Note (a)</i>)	—	352
Administrative service income received from CTM (<i>Note (a)</i>)	—	88
Administrative service income received from NewspaperDirect Limited (<i>Note (b)</i>)	30	—

Notes:

- (a) Spouse of Ms. Bonnie Chan Woo, an executive director of the Company is the controlling member and one of the beneficial owners of this related company, and Mr. Evan Chow, a non-executive director of the Company, is also one of the beneficial owners of this related company.
- (b) Spouse of Ms. Bonnie Chan Woo, an executive director of the Company, is the controlling member and one of the beneficial owners of this related company.
- (c) Mr. Evan Chow, a non-executive director of the Company, is the controlling shareholder and the beneficial owner of this related company.
- (d) Explorer Vantage, the ultimate holding company of the Company, is one of the beneficial owners of this related company.

Compensation of key management personnel

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the directors of the Company. Key management personnel remuneration are as follows:

	Six months ended 30 June	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Directors' fee	180	29
Salaries, allowances and benefits in kind	2,050	2,107
Discretionary bonus	14	75
Retirement benefit scheme contributions	54	63
	<u>2,298</u>	<u>2,274</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

During the six months ended 30 June 2018, we achieved mild growth in our core business in physical media production and management as expected, while we continued on to make significant progress in building our offer in digital media production and brand integration in original contents. Most notably, we 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, laying the foundation for stronger development in this segment. In alignment with our strategy of connecting Chinese brands to their target markets as they grow outside of their domestic markets, we have successfully taken part in strategic advisory and execution work for a rebranding exercise of a leading luxury sports brand in the first half of the year. We are pleased to see that we were able to make significant impact on a brand's positioning and its identity beyond just producing brand assets alone and that such a service offering is expected to be increasingly in demand as Chinese brands venture outside of their borders, facing challenges that are unfamiliar to them, but where our international expertise can add the best value.

Looking ahead, we will continue to focus on our core business while also committing much effort to extending our capability and offering in brand strategy, social media influencer marketing and original content brand integration. Our unique capability in using content to connect brands to markets will firmly establish Icicle as one of the most effective platform for brands developing an international presence. We see that being our future driver of growth in our business and a strategy to 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 services which are categorised into (i) physical media production and management; (ii) digital media production and brand integration; and (iii) business strategy and development. During the six months ended 30 June 2018, the Group's revenue increased by approximately HK\$4.2 million, representing 11.3%, to approximately HK\$40.8 million as compared to the corresponding period in 2017. The increase was mainly attributable to the increase in physical media production and management of approximately HK\$2.7 million and digital media production and brand integration of approximately HK\$1.0 million due to increase in number of 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 six months ended 30 June 2018, the Group's outsourced project costs increased by approximately HK\$3.0 million, representing 27.7%, to approximately HK\$13.7 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 and more printing jobs have been outsourced to subcontractors.

Materials and consumables

Materials and consumables are expenses on papers and other materials sourced by the Group for the marketing production. During the six months ended 30 June 2018, the Group's materials and consumables remained stable at a level of approximately HK\$4.7 million (2017: HK\$4.7 million).

Listing expenses

During the six months ended 30 June 2018, the Group had not incurred any listing expenses. The listing expenses of approximately HK\$7.6 million for the six months ended 30 June 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 six months ended 30 June 2018, the Group's employee benefits expense increased by approximately HK\$0.8 million, representing 9.0%, to approximately HK\$10.2 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 six months ended 30 June 2018, the Group's rental expenses increased by approximately HK\$1.3 million, representing 56.7%, to approximately HK\$3.6 million as compared to the corresponding period in 2017. The significant 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 six months ended 30 June 2018, the Group's transportation fee remained stable at a level of approximately HK\$3.3 million (2017: HK\$3.2 million).

Other operating expenses

Other operating expenses primarily consist of consultancy fee, professional fee, rates and building management fee, utilities and office expenses. During the six months ended 30 June 2018, the Group's other operating expenses increased by approximately HK\$2.1 million, representing 131.2%, to

approximately HK\$3.7 million as compared to the corresponding period in 2017. The significant increase was primarily due to the increase in compliance advisory fee, listing fee to the Stock Exchange and company secretarial fees.

Profit/(loss) for the period

During the six months ended 30 June 2018, the Group recorded profit of approximately HK\$1.1 million. During the six months ended 30 June 2017, the Group recorded loss of approximately HK\$4.0 million. By excluding the effect of the one-off non-recurring listing expenses of approximately HK\$7.6 million, the Group would have recorded profit of approximately HK\$3.6 million for the six months ended 30 June 2017.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business objectives as set out in the Prospectus with the Group's actual business progress up to 30 June 2018:

Business objectives up to 30 June 2018 as set out in the Prospectus

Actual business progress up to 30 June 2018

Enlarge the social media marketing production capability and offering

- hire one additional data analyst and a social media project manager to enhance our data analysis capabilities and initiate the social media production capabilities

The Group is monitoring the development of the service category and will look for appropriate experienced personnel accordingly.

Enhance the overall service offerings and expand the team across three service categories

- enhance the scope of service upstream to provide strategic brand development to the clients by hiring one creative director, who will be responsible for the artwork design for the clients' overall brand building strategies

The Group is monitoring the development of the service category and will look for appropriate experienced personnel accordingly.

- hire one additional original content talent to develop marketing ideas and concepts for the production of motion contents which will be sold to the brand owners for their marketing and branding purposes

The Group has recruited two talents to fill up the capacity.

Business objectives up to 30 June 2018 as set out in the Prospectus

- hire two additional marketing production talents for design of marketing and branding materials/contents for the cross media development services

Set up a studio and expand the work premises

- add and upgrade equipment and production facilities for the staff including new accounting system

Business development

- marketing and promotion of the Group's business to existing and potential clients, including (i) the development and implementation of detailed business plan in the PRC; (ii) increasing the Group's marketing activities in the PRC through frequent visits, remote discussions and networking activities with existing and potential clients; (iii) further developing the Group's brand in the PRC through online marketing activities and attending and increasing exposure in business networking activities

Staff development

- team and cultural development of the staff to promote staff retention and support our business growth
- develop and implement a real time talent management system to closely monitor the performance of the staff for better work efficiency

Actual business progress up to 30 June 2018

The Group is monitoring the development of the service category and will look for appropriate experienced personnel accordingly.

The Group has started to implement accounting system upgrade.

The Group has recruited an experienced business development talent to promote the Group's business in the PRC market. In addition, the chief executive officer of the Company (the "CEO") participated in speaking engagements in two large marketing conferences in the PRC. And we have also activated our WeChat corporate account.

The Group has conducted a few training and development programs to strengthen the teams' capacity and to build a strong principles-based performance culture.

The Group is in the process of designing an appropriate system.

USE OF PROCEEDS

The following table sets forth the status of the use of proceeds from the Share Offer up to 30 June 2018:

	Total planned use of proceeds as stated in the Prospectus up to 31 December 2019 HK\$'000	Planned use of proceeds as stated in the Prospectus up to 30 June 2018 HK\$'000	Actual use of proceeds up to 30 June 2018 HK\$'000	Remaining unused net proceeds as at 30 June 2018 HK\$'000
Enlarge the social media marketing production capability and offering	8,000	1,120	101	7,899
Enhance the overall service offerings and expand the team across three service categories	9,142	2,638	337	8,805
Set up a studio and expand the work premises	11,458	3,626	4,162	7,296
Business development	8,280	1,621	298	7,982
Staff development	3,120	3,120	460	2,660
General working capital	<u>3,800</u>	<u>1,520</u>	<u>1,520</u>	<u>2,280</u>
Total	<u>43,800</u>	<u>13,645</u>	<u>6,878</u>	<u>36,922</u>

The business objectives, future plans and 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 30 June 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 30 June 2018, the Group had net current assets of approximately HK\$82.0 million (31 December 2017: HK\$81.6 million), including cash and cash equivalents balances of approximately HK\$72.9 million (31 December 2017: HK\$65.9 million) mainly denominated in Hong Kong dollars.

The gearing ratio of the Group as at 30 June 2018 was Nil (31 December 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 six months ended 30 June 2018. The equity attributable to owners of the Company amounted to approximately HK\$85.0 million as at 30 June 2018 (31 December 2017: HK\$83.9 million).

FOREIGN EXCHANGE EXPOSURE

The majority of the Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollars. During the period, there was no material impact to the Group arising from the fluctuation in the foreign exchange rates. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the period.

PLEDGE OF ASSETS

As at 30 June 2018, the Group did not have any assets pledged for credit facilities (31 December 2017: Nil).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2018, the Group did not have any material capital commitment and contingent liability (31 December 2017: Nil).

EMPLOYEE AND REMUNERATION

As at 30 June 2018, the Group had 53 (31 December 2017: 54) full-time (including executive Director) and nil (31 December 2017: 7) part-time employees. The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. The Group has adopted a share option scheme and approved by the then Shareholders on 16 November 2017 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Group has also adopted other employee benefits including a mandatory provident fund retirement benefit scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in central pension scheme organised and governed by the relevant local governments for its employees in the PRC. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets.

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

During the six months ended 30 June 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 six months ended 30 June 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 30 June 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. 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 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 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(s) 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 30 June 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 30 June 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 30 June 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

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 six months ended 30 June 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 six months ended 30 June 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 six months ended 30 June 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 throughout the six months ended 30 June 2018.

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.

CHANGE IN THE DIRECTOR'S INFORMATION PURSUANT TO RULE 17.50A(1) OF THE GEM LISTING RULES

The change in the Director's information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules is set out below:

- Under the service agreement, Ms. Bonnie Chan Woo is entitled to a monthly salary of HK\$40,000 which has been revised to HK\$100,000 with effect from 1 January 2018.

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 six months ended 30 June 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 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, the interim 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, 6 August 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.