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i.century Holding Limited

愛世紀集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8507)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR 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 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 i.century Holding Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the “Group”). 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.

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

The board of Directors (the “Board”) of i.century Holding Limited hereby announces the following audited consolidated results of the Group for the year ended 31 March 2018, together with the comparative figures for the preceding year ended 31 March 2017, such information should be read in conjunction with the prospectus of the Company dated 29 March 2018 (the “Prospectus”), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue	5	121,150	116,154
Cost of sales		<u>(92,333)</u>	<u>(86,444)</u>
Gross profit		28,817	29,710
Other income	6	777	901
Other gains/(losses)	7	577	(158)
Selling and distribution expenses		(4,267)	(4,833)
Administrative expenses		(8,247)	(7,516)
Listing expenses		(11,480)	(225)
Finance costs	8	<u>(673)</u>	<u>(344)</u>
Profit before tax	9	5,504	17,535
Income tax expense	10	<u>(2,763)</u>	<u>(3,017)</u>
Profit and total comprehensive income for the year attributable to owners of the Company		<u>2,741</u>	<u>14,518</u>
Earnings per share			
Basic and diluted (<i>HK cents</i>)	12	<u>0.009</u>	<u>0.048</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Non-current asset			
Property, plant and equipment		<u>7,080</u>	<u>7,217</u>
Current assets			
Inventories		–	2,126
Trade receivables	<i>13</i>	12,292	6,751
Deposits, prepayments and other receivables		13,014	3,592
Amounts due from related companies		47	468
Amount due from a shareholder		–	4,949
Bank balances and cash		<u>6,510</u>	<u>10,719</u>
		31,863	<u>28,605</u>
Current liabilities			
Trade payables	<i>14</i>	3,789	2,280
Other payables and accruals		1,456	626
Trade deposit received		4,251	5,914
Amount due to a shareholder		13	–
Borrowings		8,685	7,121
Tax payable		<u>52</u>	<u>1,934</u>
		18,246	<u>17,875</u>
Net current assets		<u>13,617</u>	<u>10,730</u>
Total assets less current liabilities		<u>20,697</u>	<u>17,947</u>
Equity attributable to owners of the Company			
Share capital	<i>15</i>	–	–
Reserves		<u>20,645</u>	<u>17,904</u>
Total equity		<u>20,645</u>	<u>17,904</u>
Non-current liability			
Deferred tax		<u>52</u>	<u>43</u>
		<u>20,697</u>	<u>17,947</u>

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

For the year ended 31 March 2018

	<u>Attributable to owners of the Company</u>			
	Share capital	Contribution reserve	Retained earnings	Total equity
	<i>HK\$000</i>	<i>HK\$000</i> <i>(Note)</i>	<i>HK\$000</i>	<i>HK\$000</i>
At 1 April 2016	–	–	14,386	14,386
Profit and total comprehensive income for the year	–	–	14,518	14,518
Interim dividend paid	–	–	(11,000)	(11,000)
At 31 March 2017	–	–	17,904	17,904
Profit and total comprehensive income for the year	–	–	2,741	2,741
Transaction with owners in their capacity as equity owners:				
Share issued pursuant to the Reorganisation <i>(Note)</i>	–	–	–	–
At 31 March 2018	–	–	20,645	20,645

Note: Contribution reserve of the Group represents the difference between the aggregated share capital of the subsidiaries and one nil paid share of the Company issued as fully paid pursuant to the Reorganisation (as defined in Note 2 below) for the transfer of the subsidiaries to the Company. The balance was approximately HK\$4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL INFORMATION

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

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

The shares of the Company (the "Shares") have been listed on GEM of the Stock Exchange by way of placing and public offer (collectively the "Share Offer") on 16 April 2018 (the "Listing Date").

On the Listing Date, a total of 120,000,000 Shares with nominal value of HK\$0.01 each were offered at the final offer price of HK\$0.58 per share under the Share Offer. The Share Offer comprised the placing and the public offer with a total of 120,000,000 Shares. The placing comprised 64,000,000 new Shares being issued by the Company for subscription and 20,000,000 sale shares being offered by the selling shareholder for sale together representing approximately 21.0% of the enlarged issued share capital of the Company. Under the public offer, 36,000,000 Shares, representing 9.0% of the enlarged issued share capital of the Company were issued for subscription by members of the public in Hong Kong. The net proceeds received by the Company from the Share Offer, after deduction of the underwriting commission and related expenses in connection with the Share Offer, was approximately HK\$31,000,000.

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

2. REORGANISATION

In connection with the listing of the Shares on GEM of the Stock Exchange, the Company underwent a reorganisation (the "Reorganisation").

Incorporation of the corporate shareholder

On 18 November 2016, Giant Treasure was incorporated in the BVI with limited liability. It is authorised to issue a maximum of 50,000 shares each with a par value of US\$1. Upon incorporation, each of Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan subscribed for 50 fully paid shares of Giant Treasure for the issue price of US\$50.

Incorporation of the Company

On 20 June 2017, the Company was incorporated as an exempted company with limited liability in the Cayman Islands with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares with par value of HK\$0.01 each. On the same date, one Share with par value of HK\$0.01 was allotted and issued as nil paid to the initial subscriber of the Company, an independent third party. Such nil paid Share was then immediately transferred to Giant Treasure. On 26 August 2017, 999 Shares were allotted and issued as fully paid to Giant Treasure at par, with the consideration of HK\$9.99.

Incorporation of Century Momentum Group Limited

Century Momentum Group Limited (“**Century Momentum**”) was incorporated in the BVI with limited liability on 5 July 2017. It is authorised to issue a maximum of 50,000 shares each with a par value of US\$1. On its incorporation, the Company subscribed for 100 fully paid shares of Century Momentum for the issue price of US\$1 per share.

Acquisition of the entire issued share capital of each of Majestic City International Limited (“Majestic City International”) and Majestic City Enterprises Holdings Limited (Formerly known as Success Great Corporation Limited) (“Majestic City Enterprises”) by the Company

On 20 March 2018, as part of the Reorganisation, Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan entered into the shares swap agreement with our Company pursuant to which Mr. Leung and Ms. Tam transferred all of the issued share capital owned in each of Majestic City International and Majestic City Enterprises to Century Momentum as nominated by the Company which in turn credit the one nil paid Share held by Giant Treasure as fully paid in consideration of such shares transfer. Immediately after such shares transfer, Giant Treasure remained as sole registered holder of 100.0% shareholding of the Company. As a result of such shares transfer, each of Majestic City International and Majestic City Enterprises became a wholly-owned subsidiary of Century Momentum.

3. BASIS OF PREPARATION

Pursuant to the Reorganisation as more fully explained in the paragraph headed “Reorganisation” in the section headed “History, Reorganisation and Corporate Structure” in the Prospectus, the Company became the holding company of the companies now comprising the Group on 20 March 2018. The companies now comprising the Group were under the common control of the controlling shareholders, Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan, before and after the Reorganisation. Accordingly, for the purpose of this announcement, the historical financial information has been prepared on a combined basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the reporting period.

The consolidated statements of profit or loss and other comprehensive income and consolidated statements of changes in equity include the results of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganisation had been in existence throughout the reporting period or since their respective date of incorporation, where there is a shorter period. The consolidated statements of financial position of the Group as at 31 March 2018 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure upon completion of the Reorganisation had been in existence as at those dates, taking into account the respective dates of incorporation.

All intra-group transactions and balances have been eliminated on combination.

Application of New and Amended Hong Kong Financial Reporting Standards (“HKFRSs”)

The Group has applied and consistently applied HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are effective for the Group’s financial year beginning on 1 April 2017 for both current and prior years.

The Group has not early adopted the following new HKFRSs, new interpretations and amendments to existing HKFRSs (“new and amended HKFRSs”) that have been issued but are not yet effective.

HKFRS (Amendments)	Annual improvements to HKFRSs 2014-2016 Cycle relating to Amendments to HKFRS 12 Disclosure of Interests in Other Entities
HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets For Unrealised Losses

The Group has not early adopted the following new HKFRSs, new interpretations and amendments to existing HKFRSs (“new and amended HKFRSs”) that have been issued but are not yet effective.

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions ¹
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
HKFRS 9	Financial Instruments ¹
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation ²
HKFRS 10 and HKAS 28 (2011) (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ³
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Venture ²
HKAS 40 (Amendments)	Transfers of Investment Property ¹
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income tax Treatments ²
HKFRS (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle ¹
HKFRS (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle ²

¹ Effective for annual periods beginning on or after 1st January, 2018

² Effective for annual periods beginning on or after 1st January, 2019

³ Effective for annual periods beginning on or after 1st January, 2021

⁴ Effective for annual periods beginning on or after a date to be determined

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are described below:

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 *Financial Instruments: Recognition and Measurement*. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies, except for the expected credit loss model which may result in early provision of credit losses that are not yet incurred in relation to the Group's financial assets measured at amortised cost, the Directors do not anticipate that the application of HKFRS 9 in the future will have a material impact on the Group's future financial position and performance.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related Int(s) when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

Based on the assessment completed to date, the Directors anticipate that the application of HKFRS 15 will not have a material impact on the Group’s results of operations and financial position.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 “Leases”, HK(IFRIC) – Int 4 “Determining whether an Arrangement contain a Lease”, HK(SIC) – Int 15 “Operating Lease – Incentives” and HK(SIC) – Int 27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”.

HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17 “Leases”. Under HKFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities.

There are some exemptions. HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. lease of 12 months or less, including the effect of any extension options) and (b) leases of low value assets (for example, a lease of a personal computer).

HKFRS 16 substantially carries forward the lessor’s accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. In classifying a sublease, an intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows: (a) if the head lease is a short-term lease that the entity, as a lessee, the sublease shall be reclassified as an operating lease; (b) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components.

As at 31 March 2018, the Group has non-cancellable operating lease commitments of approximately HK\$1,812,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. As the operating lease is with lease term less than 12 months, the directors of the Company consider the application of HKFRS 16 will not have a material impact on the Group's results of operations and financial position.

Except disclosed above, the Directors do not anticipate that the application of other new and amended HKFRSs will have a material impact on the consolidated financial statements.

4. SEGMENT INFORMATION

The Group is principally engaged in sales of apparel products with the provision of apparel SCM services to customers.

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker ("CODM") in order to allocate resources to segments and to assess their performance. The information reported to the Directors, who are the CODM, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the Directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

(a) Information about major customers

Revenue from customers during the reporting period individually contributing over 10% of the Group's revenue is as follows:

	Year ended 31 March	
	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Customer A	N/A ¹	18,940
Customer B	41,142	28,155
Customer C	N/A ¹	13,235

¹ Revenue from the customer is less than 10% of the total revenue from the Group.

(b) Geographical information

The following tables set out information about geographic location of customers is based on the location to which the goods are delivered. The geographic location of non-current asset is based on the physical location of the assets.

Revenue from external customers

	Year ended 31 March	
	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
U.S.	67,252	73,502
France	23,893	20,909
Other European countries (<i>Note i</i>)	5,873	5,312
Australia	12,593	3,543
Canada	1,209	3,630
Japan	3,720	3,921
Other locations (<i>Note ii</i>)	6,610	5,337
	<u>121,150</u>	<u>116,154</u>

Notes:

- (i) Other European countries include Netherlands and United Kingdom.
- (ii) Other locations include Hong Kong, Tahiti, Israel, South Korea and Argentina.

Non-current asset

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Hong Kong	<u>7,080</u>	<u>7,217</u>

5. REVENUE

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Sales of goods	<u>121,150</u>	<u>116,154</u>

6. OTHER INCOME

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Interest income	9	2
Trade claim	129	204
Insurance claim	–	289
Compensation income	–	180
Staff welfare sponsorship	39	55
Sundry income	600	171
	<u>777</u>	<u>901</u>

7. OTHER GAINS/(LOSSES)

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Net foreign exchange gain/(loss)	331	(30)
Reversal of impairment loss recognised in respect of trade receivables (<i>Note 13</i>)	246	–
Impairment loss recognised in respect of trade receivables (<i>Note 13</i>)	–	(128)
	<u>577</u>	<u>(158)</u>

8. FINANCE COSTS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Bank overdrafts interest	458	200
Loans interest	215	144
	<u>673</u>	<u>344</u>

9. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Auditors' remuneration (<i>Note i</i>)	415	95
Depreciation of property, plant and equipment	196	194
Minimum lease payments under operating leases in respect of office premises	906	864
Commission expense	–	14
Cost of goods sold	90,565	84,545
Staff costs excluding Directors' remuneration (<i>Note ii</i>)		
– Salaries and wages	5,792	5,627
– Staff benefits	144	189
– Retirement benefit scheme contributions	261	255
	<u>6,197</u>	<u>6,071</u>

Notes:

- (i) Excluding services for listing of the Group.
- (ii) Staff costs excluding Directors' remuneration is included in "Selling and distribution expenses" are salaries and wages of approximately HK\$3,710,000 (2017: HK\$3,995,000) and retirement benefit scheme contributions of approximately HK\$187,000 (2017: HK\$195,000).

10. INCOME TAX EXPENSE

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
– Charge for the year	2,754	2,905
– Under-provision in prior year	–	75
	2,754	2,980
Deferred tax		
– Charge for the year	9	10
– Effect of revision of commercial building allowance by the Inland Revenue Department	–	27
	<u>9</u>	<u>37</u>
	<u>2,763</u>	<u>3,017</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit during the years ended 31 March 2018 and 2017.

11. DIVIDENDS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Dividend paid	<u> -</u>	<u> 11,000</u>

Prior to the Reorganisation, the Company's subsidiaries had declared and paid dividends to the shareholders during the year ended 31 March 2017.

The rates of dividends and number of shares ranking for dividends are not presented as such information is not considered meaningful.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Earnings		
Earnings for the purpose of basic earnings per share	<u> 2,741</u>	<u> 14,518</u>
Shares	No. of Shares '000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u> 300,000</u>	<u> 300,000</u>

The weighted average number of ordinary shares in issue during the years ended 31 March 2018 and 2017 have been retrospectively adjusted on the assumption that, the Capitalisation Issue in Note 15 had been effective on 1 April 2016.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2018 and 2017.

13. TRADE RECEIVABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables	16,738	11,443
Less: allowance for doubtful debts	<u>(4,446)</u>	<u>(4,692)</u>
	<u><u>12,292</u></u>	<u><u>6,751</u></u>

Ageing analysis

The following is an aged analysis of trade receivables, presented based on the invoice dates, which approximates the respective revenue recognition dates and net of allowance for doubtful debts:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0-30 days	2,109	1,072
31-60 days	2,269	1,286
61-90 days	3,352	3,641
Over 90 days	<u>4,562</u>	<u>752</u>
	<u><u>12,292</u></u>	<u><u>6,751</u></u>

The Group has implemented a credit policy for its trade customers and credit terms given vary according to the length of business relationship with the customers, reputation and payment history.

The Group allows an average credit period ranged from 30 days to 60 days to its customers.

Movement in the allowance for doubtful debts

The movement in the allowance for doubtful debts is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
At the beginning of 1 April	4,692	4,564
Impairment loss recognised (<i>Note 7</i>)	–	128
Reversal of impairment loss (<i>Note 7</i>)	<u>(246)</u>	<u>–</u>
At the end of 31 March	<u><u>4,446</u></u>	<u><u>4,692</u></u>

Included in the allowance for doubtful debts are individually impaired trade receivables. The individually impaired trade receivables relate to customers that were in default in principal payments and are considered irrecoverable.

Ageing analysis of trade receivable which are past due but not impaired

The following is an ageing analysis of trade receivables which were past due but not impaired are as follow:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Neither past due nor impaired	<u>2,942</u>	<u>1,566</u>
Over due by:		
1 – 30 days	4,752	792
31 – 60 days	630	3,641
Over 60 days	<u>3,968</u>	<u>752</u>
	<u>9,350</u>	<u>5,185</u>
	<u><u>12,292</u></u>	<u><u>6,751</u></u>

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record of credit with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

14. TRADE PAYABLES

The following is ageing analysis of trade payables, based on the invoice dates:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0-30 days	211	1,468
31-60 days	227	82
61-90 days	148	213
Over 90 days	<u>3,203</u>	<u>517</u>
	<u><u>3,789</u></u>	<u><u>2,280</u></u>

The trade payables are non-interest-bearing and are generally settled on 30-day terms.

15. SHARE CAPITAL

	Number of share	Nominal value HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each upon incorporation (<i>Note i</i>)	38,000,000	380
Increase in the authorised share capital (<i>Note ii</i>)	<u>9,962,000,000</u>	<u>99,620</u>
As at 31 March 2018	<u><u>10,000,000,000</u></u>	<u><u>100,000</u></u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 upon incorporation (<i>Note i</i>)	<u>1,000</u>	<u>–</u>
As at 31 March 2018	<u><u>1,000</u></u>	<u><u>–</u></u>

Notes:

- (i) The Company was incorporated on 20 June 2017 with authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each and has not carried on any business since the date of incorporation except for the Reorganisation. On the date of incorporation, one nil-paid share was allotted and issued. On 26 August 2017, 999 shares were allotted and issued as fully paid to Giant Treasure at par, with the consideration of HK\$9.99.
- (ii) By a shareholder's resolution dated 20 March 2018, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares with par value of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each by creation of an additional 9,962,000,000 shares of HK\$0.01 each.
- (iii) Upon listing on 16 April 2018 and Share premium account of the Company being credited as a result of the Share Offer in note 1, a sum of HK\$2,999,990 standing to the credit of the share premium account will be applied in paying up in full 299,999,000 Shares for allotment and issue to Giant Treasure (the "Capitalisation Issue").
- (iv) Following the completion of the Share Offer and the Capitalisation Issue, the authorised share capital of our Company will be HK\$100,000,000 divided into 10,000,000,000 Shares and the issued share capital of the Company will be HK\$4,000,000 divided into 400,000,000 Shares which are fully paid or credited as fully paid.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

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

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

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

BUSINESS REVIEW

During the year ended 31 March 2018, the Group's revenue increased by approximately 4.3% as compared with that for the year ended 31 March 2017 while gross profit margin decreased to approximately 23.8% for the year ended 31 March 2018 from approximately 25.6% for the preceding year. The decrease in gross profit margin was mainly attributable to the increase in the cost of sales, which was comprised of cost of goods sold, raw materials and consumable used, freight and transportation, laboratory test and inspection fee, declaration and license charges and other charges for the year ended 31 March 2018.

Non-recurring listing expenses of approximately HK\$11.5 million was recognised during the year ended 31 March 2018, which significantly affected the financial results of the Group during the year ended 31 March 2018. As a result, the net profit attributable to the owners of the Company decreased to approximately HK\$2.7 million for the year ended 31 March 2018 comparing to approximately HK\$14.5 million for the year ended 31 March 2017, representing a decrease of approximately 81.4%.

FINANCIAL REVIEW

Revenue

The Group recorded the revenue of approximately HK\$121.2 million for the year ended 31 March 2018, representing an increase of approximately 4.3% comparing with that of approximately HK\$116.2 million for the year ended 31 March 2017.

The following table sets out a breakdown of the Group's revenue by product categories for the two years ended 31 March 2018:

	For the year ended 31 March			
	2018		2017	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Jackets	74,807	61.7	50,864	43.8
Woven shirts	13,191	10.9	17,369	15.0
Pullover	7,103	5.9	14,183	12.2
Pants and shorts	15,411	12.7	19,386	16.7
T-shirts	8,054	6.7	10,738	9.2
Other products (<i>Note</i>)	2,584	2.1	3,614	3.1
	<u>121,150</u>	<u>100.0</u>	<u>116,154</u>	<u>100.0</u>

During the year ended 31 March 2018, the sales volume of the Group amounted to approximately 0.9 million units of finished products. Set out below are the total sales quantities of each product category for the two years ended 31 March 2018:

	For the year ended 31 March			
	2018		2017	
	<i>Unit sold</i>	<i>%</i>	<i>Unit sold</i>	<i>%</i>
Jackets	437,163	46.4	301,790	32.8
Woven shirts	99,110	10.5	127,747	13.9
Pullover	63,180	6.7	127,438	13.8
Pants and shorts	151,914	16.1	174,890	19.0
T-shirts	169,562	18.0	169,145	18.3
Other products (<i>Note</i>)	22,060	2.3	20,065	2.2
	<u>942,989</u>	<u>100.0</u>	<u>921,075</u>	<u>100.0</u>

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

The selling price of each of the product categories depends primarily on, among other things, overhead expenses, purchase cost, as well as our expected profit margin. Accordingly, the selling price of our products may differ considerably in different purchase orders by different customers. Set out below is the average selling price per unit of finished product sold to our customers for each product category for the two years ended 31 March 2018:

	For the year ended 31 March		
	2018	2017	
	Average selling price	Average selling price	
	(Note)	(Note)	Rate of change
	HK\$	HK\$	%
Jackets	171.1	168.5	1.5
Woven shirts	133.1	136.0	(2.1)
Pullover	112.4	111.3	1.0
Pants and shorts	101.5	110.8	(8.4)
T-shirts	47.5	63.5	(25.2)
Other products (Note)	117.1	180.1	(35.0)
Overall	<u>128.6</u>	<u>126.1</u>	<u>2.0</u>

Note: The average selling price represents the revenue for the year divided by the total sales quantities for the year.

Cost of sales

Cost of sales primarily consists of cost of goods sold, raw materials and consumable used, freight and transportation, laboratory test and inspection fee, declaration and license charges and other charges. The cost of sales increased to approximately HK\$92.3 million for the year ended 31 March 2018 from approximately HK\$86.4 million for the year ended 31 March 2017, representing an increase of approximately 6.8%. Such increase was due to the increase in total sales volume.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately 3.0% from approximately HK\$29.7 million for the year ended 31 March 2017 to approximately HK\$28.8 million for the year ended 31 March 2018. The decrease was mainly attributable to the increase in cost of sales.

Other income

Other income mainly consists of (i) insurance claims; (ii) bank interest income; (iii) trade claims received from factories for damaged goods and late deliveries; (iv) staff welfare sponsorship; (v) sundry income; and (vi) compensation income derived from penalty of late payment from customers.

The Group's other income decreased by approximately 11.1% from approximately HK\$0.9 million for the year ended 31 March 2017 to approximately HK\$0.8 million for the year ended 31 March 2018. The decrease was mainly attributable to the absence of the Group's insurance claim and compensation income.

Other gains/(losses)

Other gains/losses consist of (i) net foreign exchange gain/loss, (ii) reversal of impairment loss recognised in respect of trade receivables and (iii) impairment loss recognised in respect of trade receivables. The Group's recorded other gains to approximately HK\$0.6 million for the year ended 31 March 2018 as compared with other losses of approximately HK\$0.2 million for the year ended 31 March 2017. The increase in other gains was mainly attributable to the increase in foreign exchange gain and the reversal of impairment loss recognised in respect of trade receivables.

Selling and distribution expenses

Selling and distribution expenses mainly consist of (i) commission paid to sales agent for referral of customers; (ii) overseas travelling; and (iii) salaries and mandatory provident fund for merchandising staff. Selling and distribution expenses decreased by approximately 10.4% from approximately HK\$4.8 million for the year ended 31 March 2017 to approximately HK\$4.3 million for the year ended 31 March 2018. The net decrease in the Group's selling and distribution expenses was mainly attributable to the decrease in (i) staff costs for recruited merchandising staff and (ii) overseas travelling during the year.

Administrative expenses

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

Administrative expense slightly increased to approximately HK\$8.2 million for the year ended 31 March 2018 from approximately HK\$7.5 million for the year ended 31 March 2017, representing an increase of approximately 9.3%. Such an increase was mainly attributable to the increase in audit fees and legal and professional fee as compared to the previous year.

Listing expenses

The Group recognised non-recurring listing expenses of approximately HK\$11.5 million for the year ended 31 March 2018 while there was approximately HK\$0.2 million listing expenses recognised in the previous financial year. Accordingly, the financial results of the Group for the year ended 31 March 2018 have been significantly affected by the recognition of such listing expenses.

Finance costs

The Group's finance costs increased by approximately HK\$0.3 million, or approximately 100.0%, from approximately HK\$0.3 million for the year ended 31 March 2017 to approximately HK\$0.6 million for the year ended 31 March 2018. The increase was mainly due to the increase in bank borrowings taken out by the Group to finance daily operations.

Profit before tax

As a result of the foregoing, profit before income tax decreased by approximately 68.6% from approximately HK\$17.5 million for the year ended 31 March 2017 to approximately HK\$5.5 million for the year ended 31 March 2018. The decrease was mainly due to the listing expenses incurred as aforementioned during the year ended 31 March 2018.

Income tax expense

Income tax expense of the Group decreased by approximately 6.7% from approximately HK\$3.0 million for the year ended 31 March 2017 to approximately HK\$2.8 million for the year ended 31 March 2018. The decrease was mainly due to the decrease in profit before tax, excluding the effect of non-deductible expenses, e.g. the listing expenses and non-chargeable other income items.

Profit and total comprehensive income attributable to owners of the Company

As a result of the foregoing, the profit for the year ended 31 March 2018 amounted to approximately HK\$2.7 million, which included the non-recurring listing expenses of approximately HK\$11.5 million for the year ended 31 March 2018 (31 March 2017: approximately HK\$0.2 million), comparing with the profit of approximately HK\$14.5 million for the year ended 31 March 2017.

Dividend

The Board does not recommend the payment of dividend for the year ended 31 March 2018 (31 March 2017: HK\$11.0 million).

LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 March 2018, the Group's operations were generally financed through internally generated cash flows and borrowings from banks. The Directors believe that in the long term, the Group's operations will be funded by a combination of internally generated cash flows and bank borrowings and, if necessary, additional equity financing.

As at 31 March 2018 and 2017, the Group had net current assets of approximately HK\$13.6 million and HK\$10.7 million respectively. The Group's current ratio increased from approximately 1.6 times as at 31 March 2017 to approximately 1.7 times as at 31 March 2018. Such an increase was mainly because of the repayment of an amount due from a shareholder and increase in deferred listing expenses classified under deposits, prepayment and other receivables of the consolidated statement of financial position during the year ended 31 March 2018.

Gearing ratio

Gearing ratio is calculated based on the borrowings divided by total equity at the respective reporting date. As at 31 March 2018 and 2017, the Group's gearing ratio was 42.1% and 39.8%, respectively. The Group's borrowings have not been hedged by any interest rate financial instruments. The Group's financial position is sound and strong. With available bank balances and cash and banking credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year. The Group strives to reduce exposure to credit risk by performance ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CAPITAL STRUCTURE

The Shares were successfully listed on GEM of the Stock Exchange on 16 April 2018 (the "Listing"). There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises ordinary Shares.

As at the date of this announcement, the Company's issued share capital amounting to HK\$4.0 million divided by 400,000,000 shares of HK\$0.01 each.

Details of changes in the Company's share capital for the year ended 31 March 2018 are set out in note 15 to this announcement.

PLEDGE OF ASSETS

As at 31 March 2018, buildings of the Group with a carrying value of approximately HK\$7.0 million (31 March 2017: approximately HK\$7.2 million) had been pledged to secure bank loans of the Group.

SIGNIFICANT INVESTMENTS

As at 31 March 2018 and 2017, the Group did not hold any significant investments.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 20 March 2018, the Group completed the Reorganisation, details of which are set out in Note 2 to the consolidated financial statements in this announcement. Subsequent to the completion of the Reorganisation and up to 31 March 2018, the Group did not have any acquisitions or disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in the Prospectus, the Group currently has no plan for material investments and capital assets.

COMMITMENTS

The Group's contractual commitments were primarily related to the leases of its office premises. At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	As at 31 March	
	2018	2017
	<i>HK\$000</i>	<i>HK\$'000</i>
Within one year	906	–
In the second to fifth year inclusive	906	–
	<u>1,812</u>	<u>–</u>

Operating lease payments represent rental expenses payable by the Group to a related entity controlled by Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan for its office premises. Leases are negotiated for the fixed term of three years and rentals are fixed over the lease term. As at 31 March 2018, the Group did not have any other significant capital commitments (31 March 2017: Nil).

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 31 March 2018 and 2017.

FOREIGN EXCHANGE EXPOSURE

The Group operates in Hong Kong with majority of the transactions being settled in HK\$, United States dollars (“US\$”) and Renminbi (“RMB”). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The Group is not exposed to foreign exchange risk in respect of HK\$ against the US\$ as long as they are pegged.

The transactions and monetary assets denominated in RMB and Great Britain Pound (“GBP”) are minimal, the Group considers there have no significant foreign exchange risk in respect of RMB and GBP.

The Group currently does not have a foreign currency hedging policy in respect of assets and liabilities denominated in foreign currency. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign exchange exposure, if necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group employed a total of 33 full-time employees (31 March 2017: 33). The Group’s staff costs mainly included Directors’ remuneration, salaries, other staff benefits and contributions to retirement schemes. For the years ended 31 March 2018 and 2017, the Group’s total staff costs (including Directors’ remuneration) amounted to approximately HK\$7.5 million and HK\$7.3 million respectively. Remuneration is determined with reference to the prevailing market terms and the performance, qualification, experience, position and seniority of individual employee.

After the Listing, the remuneration committee will review and determine the remuneration and compensation packages of the Directors and senior management with reference to their experience, responsibilities, workload, time devoted to the Group and performance of the Group.

KEY PERFORMANCE INDICATORS

The Company has defined the following key performance indicators which are closely aligned with the performance of the Group.

	<i>Notes</i>	2018	2017	Rate of change
Revenue		HK\$121,150,000	HK\$116,154,000	4.3%
Gross profit		HK\$28,817,000	HK\$29,710,000	(3.0)%
Profit for the year attributable to owners of the Company	<i>1</i>	HK\$2,741,000	HK\$14,518,000	(81.1)%
Adjusted net profit for the year		HK\$14,221,000	HK\$14,743,000	(3.5)%
Gross profit margin		23.8%	25.6%	
Net profit margin		2.3%	12.5%	
Adjusted net profit margin for the year	<i>1</i>	11.7%	12.7%	
Return on total assets		7.0%	40.5%	
Return on equity		13.3%	81.1%	
Current ratio		1.7 times	1.6 times	
Quick ratio		1.7 times	1.5 times	

Notes:

- Adjusted net profit margin is calculated by adjusted net profit for the year divided by the revenue for the respective year end and multiplied by 100%. Adjusted net profit for the year represents our profit for the year excluding Listing expenses. Adjusted net profit is not a measure of performance under HKFRSs and accounting principles generally accepted in Hong Kong. The use of these non-HKFRSs measures has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under HKFRSs.

USE OF PROCEEDS

As set out in the Prospectus, the Group's strategic goal is to achieve sustainable growth and further strengthen our overall competitiveness and business growth in the apparel supply chain management services industry. Given that the Share Offer was completed upon Listing, the implementation plan as set out in the section headed "Business objectives and Future Plans" of the Prospectus will continue as disclosed.

FUTURE PROSPECTS

The Company has successfully listed on GEM of the Stock Exchange on 16 April 2018 to enhance its capital strength for future development. Going forward, the Directors and the management will continue to devote their best efforts to the future plans as disclosed in the Prospectus. From time to time, the Directors will seek business opportunities to increase the Group's revenue and to control the Group's overall costs to an acceptable and satisfactory level in order to increase shareholders' return.

Looking forward, the supply chain management services sector is still full of challenges. Nevertheless, the Group will embrace these challenges by setting up representative offices in the U.S. and France and establishing a quality control office in the PRC. The Group intends to execute its development plans as set out in the Prospectus carefully and prudently, with an aim to bring a desirable return to the shareholders of the Company and facilitate for long-term growth of the business of the Group.

EVENTS AFTER THE REPORTING PERIOD

The Company's shares were listed on the GEM of the Stock Exchange on 16 April 2018 and 120,000,000 ordinary shares were issued at HK\$0.58 per offer share on 16 April 2018 in connection with the Listing as detailed in the Prospectus and the announcement of the Company dated 16 April 2018, among others, in relation to the allotment results of the Share Offer. After deducting related listing expenses, the net proceeds of the Share Offer are approximately HK\$31.0 million.

CORPORATE GOVERNANCE POLICY

The Shares have been successfully listed on the GEM of the Stock Exchange on 16 April 2018. The Board recognises that transparency and accountability are important to the Company as a listed company. Therefore, the Company is committed to maintaining good corporate governance in order to uphold the transparency of the Group and to safeguard interests of the shareholders.

The Board has adopted and complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code for the year ended 31 March 2018, except for the deviation of the CG Code Provisions A.2.1.

Chairman and Chief Executive Officer

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

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors since the listing date and up to the date of this announcement.

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

Since the date of the listing and up to the date of this announcement, there has been no purchases, sales and redemption of the Company’s listed securities by the Company or any of its subsidiaries.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming AGM to be held on Wednesday, 8 August 2018, the register of members of the Company will be closed on Friday, 3 August 2018 to Wednesday, 8 August 2018 (both days inclusive), during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 2 August 2018.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2018 have been agreed by the Company's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issue by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

AUDIT COMMITTEE

The Company has established the Audit Committee on 20 March 2018 with written terms of reference in compliance with paragraph C.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Lau Yau Chuen Louis, Ms. Lee Yin Mei and Ms. Cheung Wai Man. Mr. Lau Yau Chuen Louis has been appointed as the chairman of the Audit Committee and is the independent non-executive Director with the appropriate professional qualifications.

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process, to nominate and monitor the Company's external auditors, and to oversee the risk management and internal control procedures of the Company.

The Audit Committee had reviewed the audited final results of the Company for the year ended 31 March 2018.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual report of the Company for the year ended 31 March 2018 containing all the information required by the GEM Listing Rules will be dispatched to the Company's shareholders and posted on the websites of GEM (www.hkgem.com) and the Company in due course.

By order of the Board
i.century Holding Limited
Mr. Leung Kwok Hung Wilson
Chairman

Hong Kong, 25 June 2018

As at the date of this announcement, the executive Directors are Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan and the independent non-executive Directors are Ms. Lee Yin Mei, Ms. Cheung Wai Man and Mr. Lau Yau Chuen Louis. This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.icenturyholding.com.