



**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



THIRD QUARTERLY REPORT  
**2018**

## **CHARACTERISTICS OF THE 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.**

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*This report, for which the directors (the “Directors”) of i.century Holding Limited (the “Company”, and together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## HIGHLIGHTS

- The Group recorded an unaudited revenue of approximately HK\$95.9 million for the nine months ended 31 December 2018 (nine months ended 31 December 2017: approximately HK\$96.3 million), representing a decrease of approximately 0.5% over the same period of 2017.
- The unaudited loss of the Group for the nine months ended 31 December 2018 amounted to approximately HK\$9.6 million (nine months ended 31 December 2017: unaudited profit of approximately HK\$1.2 million).
- The Board does not recommend the payment of any dividend for the nine months ended 31 December 2018 (nine months ended 31 December 2017: nil).

## UNAUDITED THIRD QUARTERLY RESULTS

The board of directors (the “Board”) of the Company hereby announces the following unaudited condensed consolidated results of the Group for the three months and nine months ended 31 December 2018, together with the comparative unaudited figures for the corresponding period in 2017, as follows:

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

For the three months and nine months ended 31 December 2018

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>17,716</b>	26,496	<b>95,893</b>	96,339
Cost of sales		<b>(14,920)</b>	(20,563)	<b>(81,470)</b>	(73,554)
<b>Gross profit</b>		<b>2,796</b>	5,933	<b>14,423</b>	22,785
Other income		<b>28</b>	34	<b>170</b>	556
Other gains		<b>222</b>	151	<b>611</b>	401
Selling and distribution expenses		<b>(1,791)</b>	(1,108)	<b>(4,875)</b>	(3,399)
Administrative expenses		<b>(5,751)</b>	(1,876)	<b>(13,073)</b>	(5,641)
Listing expenses		<b>-</b>	(181)	<b>(6,149)</b>	(10,797)
Finance costs		<b>(98)</b>	(212)	<b>(336)</b>	(444)
<b>(Loss)/Profit before tax</b>	4	<b>(4,594)</b>	2,741	<b>(9,229)</b>	3,461
Income tax credit/(expenses)	5	<b>121</b>	(425)	<b>(369)</b>	(2,295)
<b>(Loss)/Profit and total comprehensive (expenses)/income for the period attributable to owners of the Company</b>		<b>(4,473)</b>	2,316	<b>(9,598)</b>	1,166
<b>(Loss)/Earnings per share</b>					
Basic and diluted (HK\$)	7	<b>(0.011)</b>	0.008	<b>(0.024)</b>	0.004

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2018

	Notes	Attributable to owners of the Company				
		Share capital HK\$'000	Share premium HK\$'000	Contribution reserve HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
At 1 April 2017 (Audited)		-	-	-	17,904	17,904
Shares issued upon incorporation	(i)	-	-	-	-	-
Profit and total comprehensive income for the period		-	-	-	1,166	1,166
At 31 December 2017 (Unaudited)		-	-	-	19,070	19,070
<b>At 1 April 2018 (Audited)</b>	(ii)	-	-	-	<b>20,645</b>	<b>20,645</b>
Shares issued pursuant to the Capitalisation	(iii)	3,000	(3,000)	-	-	-
Shares issued pursuant to the Listing	(iv)	1,000	57,000	-	-	58,000
Listing expenses charged to share premium		-	(10,762)	-	-	(10,762)
Loss and total comprehensive expense for the period		-	-	-	(9,598)	(9,598)
At 31 December 2018 (Unaudited)		4,000	43,238	-	11,047	58,285

Notes:

- (i) The Company was incorporated on 20 June 2017 with authorised share capital of HK\$380,000 divided into 38,000,000 ordinary 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 Development Ltd (“Giant Treasure”) at par, with the consideration of HK\$9.99.
- (ii) 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 1 below) for transfer of the subsidiaries to the Company. The balance was approximately HK\$4.
- (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 below, a sum of HK\$2,999,990 standing to the credit of the share premium account will be applied as paying up in full 299,999,000 Shares for allotment and issue to Giant Treasure (“Capitalisation Issue”).
- (iv) Upon the completion of the listing on 16 April 2018, the Company has issued a total of 100,000,000 ordinary shares of HK\$0.01 each at a price of HK\$0.58 per share for a total consideration of HK\$58,000,000.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 31 December 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, 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.

Pursuant to the reorganisation of the Group (the "Reorganisation") in connection with the listing of the shares of the Company (the "Shares") on GEM, the Company became the holding company of the companies comprising the Group on 20 March 2018. Details of the Reorganisation are set out under the section headed "History, Reorganisation and Corporate Structure" in the prospectus of the Company dated 29 March 2018 (the "Prospectus").

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

## **1. General Information (continued)**

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



## 2. BASIS OF PREPARATION

The unaudited condensed consolidated results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated results have been prepared under historical cost basis.

The principal accounting policies used in the unaudited condensed consolidated results for the nine months ended 31 December 2018 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2018, except for the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the current accounting period of the Group. The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these unaudited condensed consolidated results and/or disclosures set out in these unaudited condensed consolidated results. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

## 3. REVENUE

Revenue represents the sales of apparel products with the provision of apparel SCM services.

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Sales of goods	17,716	26,496	95,893	96,339

#### 4. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Auditors' remuneration	100	–	300	10
Depreciation of property, plant and equipment	245	49	355	147
Minimum lease payments under operating leases in respect of office premises	326	227	801	680
Cost of goods sold	14,154	20,101	78,214	72,604
Staff costs including directors' remuneration				
– Salaries and wages	4,636	1,807	9,169	5,303
– Staff benefits	12	15	107	53
– Retirement benefit scheme contributions	128	55	301	205
	4,776	1,877	9,577	5,561

Staff costs including Directors' remuneration included in "Selling and distribution expenses" are salaries and wages of approximately HK\$3,916,000 (nine months ended 31 December 2017: HK\$2,979,000).

## 5. INCOME TAX (CREDIT)/EXPENSES

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Current tax – Hong Kong Profits Tax				
– Charge for the period	(578)	419	(114)	2,289
– Under-provision in prior year	–	–	17	–
	(578)	419	(97)	2,289
Deferred tax				
– Charge for the period	457	6	466	6
	(121)	425	369	2,295

Hong Kong Profit Tax is calculated at 16.5% of the estimated assessable profits for both periods.

No provision for PRC enterprise income tax and U.S. income tax has been provided as the Group did not generate any assessable profits arising in PRC and U.S. during the nine months ended 31 December 2018 (nine months ended 31 December 2017: N/A).

## 6. DIVIDENDS

The Directors do not recommend the payment of dividends for the nine months ended 31 December 2018 and 2017.

## 7. (LOSS)/EARNINGS PER SHARE

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>(Loss)/Earnings</b> (Loss)/earnings for the purpose of calculating basic (loss)/earnings per share	<b>(4,473)</b>	2,316	<b>(9,598)</b>	1,166

  

	No. of Shares		No. of Shares	
	'000	'000	'000	'000
<b>Shares</b> Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<b>400,000</b>	300,000	<b>400,000</b>	300,000

For the nine months ended 31 December 2018, the number of ordinary shares for the purpose of calculating basic (loss)/earnings per share has been retrospectively adjusted for the effects of the Reorganisation and Capitalisation Issue (as defined in the Prospectus) which was completed on 16 April 2018. It does not take into account of issue of new shares pursuant to the Share Offer (as defined in the Prospectus) which took place after 31 December 2017.

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Introduction*

The Group is principally engaged in 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.

### *Business Review*

For the nine months ended 31 December 2018, the Group recorded revenue of approximately HK\$95.9 million representing a decrease of approximately 0.5% as compared to the amount of approximately HK\$96.3 million for the corresponding period in 2017. Meanwhile, the gross profit decreased from HK\$22.8 million for the nine months ended 31 December 2017 to HK\$14.4 million for the nine months ended 31 December 2018. The significant decline was mainly due to U.S. customers changed to a conservative procurement attitude due to their raising concern over current status of the trade conflicts between People's Republic of China ("PRC") and the U.S. and decrease in average selling prices of two major products of the Group, jackets and pullover. As a result, the Group recorded a loss and total comprehensive expenses attributable to owners of the Company of approximately HK\$9.6 million for the nine months ended 31 December 2018 as compared to a profit and total comprehensive income attributable to owners of the Company of approximately HK\$1.2 million for the corresponding period in 2017.

On 16 April 2018, the Shares were successfully listed on GEM by way of placing and public offer (collectively the “Share Offer”). After deducting all the relevant commission and expenses in connection with the Share Offer, there are approximately HK\$31.0 million of net proceeds from the Share Offer. The net proceeds from Share Offer are intended to be used in accordance with the proposed implementation plans as disclosed under the section headed “Business objective and future plans” in the Company’s Prospectus.

## **Financial Review**

### **Revenue**

The Group recorded the revenue of approximately HK\$95.9 million for the nine months ended 31 December 2018, representing a decrease of approximately 0.5% comparing with that of approximately HK\$96.3 million for the nine months ended 31 December 2017, which was mainly due to the combined effects of (i) increase in sales volume of approximately 130,000 units and (ii) the decrease of the average selling prices of the Group’s products.

The following table sets out a breakdown of the Group’s revenue by product categories for the nine months ended 31 December 2018 and 2017:

	<b>Nine months ended 31 December</b>			
	<b>2018</b>		<b>2017</b>	
	<b>HK\$'000</b>	<b>%</b>	<b>HK\$'000</b>	<b>%</b>
Jackets	<b>55,423</b>	<b>57.8</b>	64,206	66.6
Woven shirts	<b>11,033</b>	<b>11.5</b>	9,275	9.6
Pullover	<b>14,537</b>	<b>15.2</b>	4,598	4.8
Pants and shorts	<b>9,232</b>	<b>9.6</b>	9,827	10.2
T-shirts	<b>2,462</b>	<b>2.6</b>	6,503	6.8
Other products (Note)	<b>3,206</b>	<b>3.3</b>	1,930	2.0
	<b>95,893</b>	<b>100.0</b>	96,339	100.0

During the nine months ended 31 December 2018, the sales volume of the Group amounted to 871,339 units of finished products. Set out below are the total sales quantities of each product category for each of the nine months ended 31 December 2018 and 2017:

	Nine months ended 31 December			
	2018		2017	
	Unit sold	%	Unit sold	%
Jackets	<b>354,237</b>	<b>40.7</b>	374,390	50.5
Woven shirts	<b>84,012</b>	<b>9.6</b>	70,906	9.6
Pullover	<b>266,248</b>	<b>30.6</b>	42,901	5.8
Pants and shorts	<b>94,512</b>	<b>10.8</b>	95,794	12.9
T-shirts	<b>47,348</b>	<b>5.4</b>	142,356	19.2
Other products (Note)	<b>24,982</b>	<b>2.9</b>	14,743	2.0
	<b>871,339</b>	<b>100.0</b>	741,090	100.0

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 nine months ended 31 December 2018 and 2017:

	Nine months ended 31 December		
	2018 Average selling price (Note) HK\$	2017 Average selling price (Note) HK\$	Rate of change %
Jackets	156.5	171.5	(8.8)
Woven shirts	131.3	130.8	0.4
Pullover	54.6	107.2	(49.1)
Pants and shorts	97.7	102.6	(4.8)
T-shirts	52.0	45.7	13.8
Other products (Note)	128.3	130.9	(2.0)
Overall	110.1	130.0	(15.3)

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

### *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\$81.5 million for the nine months ended 31 December 2018 from approximately HK\$73.6 million for the nine months ended 31 December 2017, representing an increase of approximately 10.8%. Such increase was in line with the increase in total sales volume.



### *Gross profit and gross profit margin*

The Group's gross profit decreased by approximately HK\$8.4 million from approximately HK\$22.8 million for the nine months ended 31 December 2017 to approximately HK\$14.4 million for the nine months ended 31 December 2018. The Group's gross profit margin decreased to approximately 15.0% for the nine months ended 31 December 2018 from approximately 23.7% for the nine months ended 31 December 2017. The decrease in both gross profit and gross profit margin of the Group was mainly due to (i) U.S. customers changed to a conservative procurement attitude due to their raising concern over current status of the trade conflicts between PRC and U.S. and (ii) the decrease in average selling prices of two major products of the Group, jackets and pullover.

### *Other income*

Other income mainly consists of (i) bank interest income; and (ii) sundry income. The Group's other income decreased by approximately 69.4% from approximately HK\$0.6 million for the nine months ended 31 December 2017 to approximately HK\$0.2 million for the nine months ended 31 December 2018. The decrease was mainly attributable to no trade claim received by the Group.

### *Other gains*

Other gains consist of (i) net foreign exchange gains and (ii) reversal of impairment loss recognised in respect of trade receivables. The Group's recorded other gains to approximately HK\$0.6 million for the nine months ended 31 December 2018 as compared with other gains of approximately HK\$0.4 million for the nine months ended 31 December 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 receivable.

### *Selling and distribution expenses*

Selling and distribution expenses mainly consist of (i) overseas travelling; and (ii) salaries and mandatory provident fund for merchandising staff. Selling and distribution expenses increased by approximately 43.4% from approximately HK\$3.4 million for the nine months ended 31 December 2017 to approximately HK\$4.9 million for the nine months ended 31 December 2018. Such increase was mainly attributable to the annual salary increment and increase in the Group's merchandising headcounts in line with our business expansion.

### *Administrative expenses*

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

Administrative expenses increased to approximately HK\$13.1 million for the nine months ended 31 December 2018 from approximately HK\$5.6 million for the nine months ended 31 December 2017, representing an increase of approximately 131.7%. Such increase was mainly due to the recurrence of legal and professional fee after the listing, annual salary increment for administrative staff and directors, and entertainment expenses.

### *Listing expenses*

The Group recognised non-recurring listing expenses of approximately HK\$6.1 million for the nine months ended 31 December 2018 whilst there was approximately HK\$10.8 million of non-recurring listing expenses recognised for the nine months ended 31 December 2017.

### *Finance costs*

The Group's finance costs decreased by approximately 24.3%, from approximately HK\$0.4 million for the nine months ended 31 December 2017 to approximately HK\$0.3 million for the nine months ended 31 December 2018. The decrease was mainly due to the decrease in bank borrowings taken out by the Group to finance daily operations.

### *Income tax expense*

Income tax expense of the Group decreased by approximately 83.9% from approximately HK\$2.3 million for the nine months ended 31 December 2017 to approximately HK\$0.4 million for the nine months ended 31 December 2018. The decrease was mainly due to profit before tax (excluding listing expenses) from approximately HK\$14.3 million for the nine months ended 31 December 2017 to a loss before tax (excluding listing expenses) from approximately HK\$3.1 million for the nine months ended 31 December 2018.

### *(Loss)/Profit and total comprehensive (expense)/income attributable to owners of the Company*

The Group recorded a loss and total comprehensive expenses attributable to owners of the Company of approximately HK\$9.6 million for the nine months ended 31 December 2018 compared to a profit and total comprehensive income attributable to owners of the Company of approximately HK\$1.2 million for the corresponding period in 2017. The loss was mainly attributable to the net effect of (i) the decrease in gross profit and (ii) the increase in administrative expenses as discussed above.

### *Dividend*

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

## **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. Given the challenging economic outlook, the Group's rate of growth will be challenging due to continuing rise in costs and geopolitical pressures arising from the potential trade wars and tariffs from U.S.. However, the Group believes that by offering competitive selling price, together with strong relationship management and a comprehensive range of supply chain management total solutions, it can continue to increase market share by providing value added service to customers.

Going forward, the Group expects the global business environment will remain challenging in the coming year due to economic and political uncertainty which will create certain pressure to the Group's sales and gross profit margins. Nevertheless, the Group has the financial and operational capability to handle these challenges by setting up representative offices in the U.S. and France, establishing a quality control office in the PRC and to explore opportunities to diversify the manufacturing base in various region.

The Directors will continue to review and evaluate the business objectives and strategies and make timely execution taking into account the business risks and market uncertainties. The Directors believe that the Group are able to retain existing customers by offering satisfactory supply chain management solutions.

## OTHER INFORMATION

### ***Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporation***

As at 31 December 2018, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which are required to be notified to the Company and the Stock Exchange (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

#### ***Long position in the shares***

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of shares<sup>1</sup></b>	<b>Percentage of shareholding</b>
Mr. Leung Kwok Hung Wilson <sup>2</sup>	Interest in a controlled corporation	280,000,000	70%
Ms. Tam Shuk Fan <sup>2</sup>	Interest in a controlled corporation	280,000,000	70%

Notes:

1. As at the date of this report, the Company's issued ordinary share capital was HK\$4,000,000 divided into 400,000,000 Shares of HK\$0.01 each.
2. Such 280,000,000 shares are registered in the name of Giant Treasure, a company beneficially owned as to 50% by Mr. Leung Kwok Hung Wilson and 50% by Ms. Tam Shuk Fan. Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan are husband and wife. Therefore, each of Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan is deemed to be interested in all the shares held by Giant Treasure under the SFO.

## ***Interest and Short Positions of Substantial Shareholders in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporation***

As at 31 December 2018, so far as it is known to the Directors, the following persons, other than Directors or chief executive of the Company, who held interest or short position in the Shares and underlying Shares were recorded in the register of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the Register required to be kept by the Company pursuant to Section 336 of the SFO or who was interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

### ***Long Positions in the Ordinary Shares of the Company***

<b>Name of Shareholder</b>	<b>Capacity</b>	<b>Number of shares (Note)</b>	<b>Percentage of shareholding</b>
Giant Treasure	Beneficial owner	280,000,000	70%

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

Save as disclosed above, as at 31 December 2018, none of the Directors or chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short position which they are taken or deemed to have under provisions of the SFO); or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

### ***Purchase, Sale or Redemption of Listed Securities***

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

### ***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 "Model Code"). 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 report.

## ***Competing Interest***

For the period ended 31 December 2018, the Directors were not aware of any business or interest of the Directors, the controlling shareholders, and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with Group.

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

## ***Interests of the Compliance Adviser***

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company had appointed Messis Capital Limited ("Messis") to be the compliance adviser. As at 31 December 2018, as notified by Messis, except for the compliance adviser agreement entered into between the Company and Messis dated 28 September 2017, neither Messis nor any of its directors or employees or associates, had or may have, any interest in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities).

## ***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 had complied with all the code provisions of the CG Code since 16 April 2018 to the date of this report, except the deviation:

- 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 CG Code is appropriate in such circumstance.
- Pursuant to code provision A.6.7, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Ms. Cheung Wai Man and Mr. Lau Yau Chuen Louis (being an independent non-executive Director at the relevant time) and Ms. Lee Yin Mei (being an independent non-executive Director at the relevant time and being re-designated as executive Director after the annual general meeting) were unable to attend the annual general meeting of the Company held on 8 August 2018 as she/he was obliged to be away for her/his business matter.

### ***Event After the Reporting Period***

There is no significant event subsequent to 31 December 2018 which would materially affect the Group's operating and financial performance.



## **Audit Committee**

The Company has established the Audit Committee on 20 March 2018 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference aligned with the provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, to oversee the risk management and internal control procedures of the Group. The Audit Committee consists of three independent non-executive Directors, namely Mr. Lau Yau Chuen Louis, Ms. Cheung Wai Man and Mr. Lee Kwun Ting. Mr. Lau Yau Chuen Louis has been appointed as the chairman of the Audit Committee and is the independent non-executive Director with the appropriate professional qualifications.

The Audit Committee had reviewed this report and the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2018 and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By Order of the Board  
**i.century Holding Limited**  
**Leung Kwok Hung Wilson**  
*Chairman*

Hong Kong, 1 February 2019

*As at the date of this report, the executive Directors are Mr. Leung Kwok Hung Wilson, Ms. Tam Shuk Fan and Ms. Lee Yin Mei and the independent non-executive Directors are Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting. This report will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://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](http://www.icenturyholding.com).*