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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 INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED
(THE “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 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.

The board (the “**Board**”) of directors (the “**Directors**”) of i.century Holding Limited (the “**Company**”, and its subsidiaries, the “**Group**”) is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2020. This announcement, containing the full text of the 2020 interim report of the Company, complies with the relevant requirements of the Rules Governing The Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to the information to accompany preliminary announcements of interim results. The printed version of the Company’s 2020 interim report will be dispatched to the shareholders of the Company and available for viewing on the website of GEM of the Stock Exchange at www.hkgem.com and the website of the Company at www.icenturyholding.com in due course.

By order of the Board
i.century Holding Limited
Leung Kwok Hung Wilson
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 11 November 2020

As at the date of this announcement, the Executive Directors are Mr. Leung Kwok Hung Wilson (Chairman and Chief Executive Officer), 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 announcement, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of seven days from the day of its publication and on the Company’s website at www.icenturyholding.com.

** In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*

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



INTERIM
REPORT
2020

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

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Hong Kong Exchanges and Clearing Limited and the Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the “**Directors**” and each the “**Director**”) of i.century Holding Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Group. 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.*

CONTENTS

Corporate Information	2-3
Financial Highlights	4
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Unaudited Condensed Consolidated Statement of Financial Position	6
Unaudited Condensed Consolidated Statement of Changes in Equity	7
Unaudited Condensed Consolidated Statement of Cash Flows	8-9
Notes to the Unaudited Condensed Consolidated Financial Statements	10-25
Management Discussion and Analysis	26-37
Corporate Governance and Other Information	38-43

C O R P O R A T E I N F O R M A T I O N

BOARD OF DIRECTORS

Executive Directors

Mr. Leung Kwok Hung Wilson
(*Chairman and Chief Executive Officer*)

Ms. Tam Shuk Fan
Ms. Lee Yin Mei

Independent Non-Executive Directors

Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis
Mr. Lee Kwun Ting

COMPANY SECRETARY

Mr. Kwok Chi Yin

COMPLIANCE OFFICER

Mr. Leung Kwok Hung Wilson

AUTHORISED REPRESENTATIVES

Ms. Tam Shuk Fan
Mr. Kwok Chi Yin

AUDIT COMMITTEE

Mr. Lau Yau Chuen Louis (*Chairman*)
Ms. Cheung Wai Man
Mr. Lee Kwun Ting

REMUNERATION COMMITTEE

Mr. Lee Kwun Ting (*Chairman*)
Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis

NORMINATION COMMITTEE

Mr. Leung Kwok Hung Wilson
(*Chairman*)
Ms. Cheung Wai Man
Mr. Lau Yau Chuen Louis
Mr. Lee Kwun Ting

COMPLIANCE ADVISER

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AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
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The Landmark
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REGISTERED OFFICE

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Cayman Islands

**HEADQUARTERS AND
PRINCIPAL PLACE OF BUSINESS**

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**PRINCIPAL SHARE REGISTRAR
AND TRANSFER OFFICE**

Conyers Trust Company (Cayman)
Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

**HONG KONG BRANCH
SHARE REGISTRAR AND
TRANSFER OFFICE**

Link Market Services
(Hong Kong) Pty Limited
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28 Queen's Road Central
Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

STOCK CODE

8507

COMPANY WEBSITE

www.icenturyholding.com

FINANCIAL HIGHLIGHTS

- The Group recorded an unaudited revenue of approximately HK\$43.8 million for the six months ended 30 September 2020 (six months ended 30 September 2019: approximately HK\$78.9 million), representing a decrease of approximately 44.5% over the corresponding period in 2019.
- The unaudited loss of the Group for the six months ended 30 September 2020 amounted to approximately HK\$7.2 million (six months ended 30 September 2019: HK\$5.2 million).
- The Board does not recommend the payment of any dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

INTERIM RESULTS

The board of directors (the "Board") of the Company announces the unaudited condensed consolidated financial results of the Group for the six months ended 30 September 2020, together with the comparative unaudited figures for the corresponding period in 2019, as follows:

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

For the six months ended 30 September 2020

	Notes	Three months ended 30 September		Six months ended 30 September	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	6	26,569	48,968	43,759	78,854
Cost of sales		(21,250)	(41,215)	(35,453)	(66,194)
Gross profit		5,319	7,753	8,306	12,660
Other income	7	1,702	46	1,751	105
Other (losses)/gains	8	(588)	1,541	(235)	204
Selling and distribution expenses		(1,760)	(1,788)	(3,231)	(3,438)
Administrative expenses		(7,133)	(7,113)	(13,419)	(14,219)
Finance costs	9	(240)	(209)	(435)	(399)
(Loss)/Profit before tax	10	(2,700)	230	(7,263)	(5,087)
Income tax credit/(expense)	11	29	31	70	(53)
(Loss)/Profit for the period		(2,671)	261	(7,193)	(5,140)
Other comprehensive income/(loss)					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operations		40	(20)	40	(14)
Total comprehensive (loss)/income for the period attributable to owners of the Company		(2,631)	241	(7,153)	(5,154)
(Loss)/Earnings per share					
Basic and diluted (HK cents)	13	(0.7)	0.1	(1.8)	(1.3)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Notes	As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	14	10,252	11,088
Right-of-use assets		251	457
		10,503	11,545
Current assets			
Inventories		582	227
Trade receivables	15	15,364	11,811
Deposits paid and prepayments		11,982	7,622
Amounts due from related companies	16	2,932	2,485
Prepaid tax		80	2,329
Pledged bank deposits		9,000	–
Bank balances and cash		11,095	16,937
		51,035	41,411
Current liabilities			
Trade payables	17	5,909	3,774
Other payables and accruals		3,392	3,734
Contract liabilities		4,972	1,924
Lease liabilities		127	252
Borrowings	18	17,845	6,740
		32,245	16,424
Net current assets		18,790	24,987
Total assets less current liabilities		29,293	36,532
Equity attributable to owners of the Company			
Share capital	19	4,000	4,000
Reserves		24,885	32,038
Total equity		28,885	36,038
Non-current liabilities			
Deferred tax liabilities		306	384
Lease liabilities		102	110
		408	494
		29,293	36,532

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	Attributable to owners of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Contribution reserve HK\$'000	Exchange reserve HK\$'000	(Accumulated losses)/ Retained earnings HK\$'000	Total equity HK\$'000
At 1 April 2019 (Audited)	4,000	43,238	-	(7)	5,839	53,070
Loss for the period	-	-	-	-	(5,140)	(5,140)
Other comprehensive loss for the period:						
Exchange differences arising on translation of foreign operations	-	-	-	(14)	-	(14)
Total comprehensive loss for the period	-	-	-	(14)	(5,140)	(5,154)
At 30 September 2019	4,000	43,238	-	(21)	699	47,916
At 1 April 2020 (Audited)	4,000	43,238	-	(48)	(11,152)	36,038
Loss for the period	-	-	-	-	(7,193)	(7,193)
Other comprehensive loss for the period:						
Exchange differences arising on translation of foreign operations	-	-	-	40	-	40
Total comprehensive loss for the period	-	-	-	40	(7,193)	(7,153)
At 30 September 2020	4,000	43,238	-	(8)	(18,345)	28,885

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Operating activities		
Cash used in operating activities	(9,678)	(11,557)
Income tax credit/(paid)	2,241	(6)
Net cash used in operating activities	(7,437)	(13,563)
Investing activities		
Interest received	1	15
Purchase of property, plant and equipment	(78)	–
Placement of pledged bank deposit	(9,000)	–
Net cash (used in)/generated from investing activities	(9,077)	15

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Financing activities		
Interest paid	(427)	(399)
Proceeds from new bank borrowing	4,000	2,000
Repayments of bank borrowings	(7,061)	(14,397)
Repayments of lease liabilities	(62)	(189)
Net cash used in financing activities	(3,550)	(12,985)
Net decrease in cash and cash equivalents	(20,064)	(24,533)
Cash and cash equivalents at beginning of the period	16,937	39,469
Effect of foreign exchange rate changes, net	56	9
Cash and cash equivalents at the end of the period	(3,071)	14,945
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	11,095	26,420
Bank overdrafts	(14,166)	(11,475)
	(3,071)	14,945

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

1. GENERAL INFORMATION

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

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

The 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 financial statements of the Group for the six months ended 30 September 2020 have been prepared in accordance with the Hong Kong Accounting Standard 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the GEM Listing Rules.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2020 have been prepared on the historical cost basis.

The unaudited condensed consolidated financial statements does not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual report for the year ended 31 March 2020.

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

During the period, certain new and revised Hong Kong Financial Reporting Standard (“**HKFRSs**”) have been issued. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The Directors considered that the adoption of new and revised HKFRSs which are effective for the accounting period beginning on 1 April 2020 will not have any material impact on the preparation and presentation of the results and financial conditions of the current and previous periods. For the HKFRSs that are not yet effective nor have not been early adopted, the Group is in the process of making an assessment of the potential impact of the newly issued HKFRSs.

4. ESTIMATES

The preparation of condensed consolidated financial information requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other source. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing this condensed consolidated financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2020.

5. 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 contributing over 10% of the total revenue of the Group as follow:

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Customer A	9,101	15,491	10,549	17,197
Customer B	5,994	13,114	10,360	22,005
Customer C	3,900	N/A	7,244	N/A
Customer D	–	N/A	4,530	N/A

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

5. SEGMENT INFORMATION (continued)

(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 assets are based on the physical location of the assets.

Revenue from external customers

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
United States of America ("U.S.")	19,409	28,848	30,542	47,169
France	3,081	6,921	6,407	11,271
Other European countries (note i)	565	3,805	1,022	5,714
Australia	2,188	5,500	3,019	9,970
Canada	162	200	249	259
Japan	737	1,385	2,020	1,943
Other location (note ii)	427	2,309	500	2,528
	26,569	48,968	43,759	78,854

Notes:

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

5. SEGMENT INFORMATION (continued)

(b) Geographical information

Non-current assets

	As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
Hong Kong	8,550	9,114
The PRC, excluding Hong Kong	1,795	2,241
France	158	190
	10,503	11,545

6. REVENUE

Disaggregated of revenue from contracts with customers:

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Sales of goods	26,569	48,968	43,759	78,854

7. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Interest income	1	4	1	16
Trade claim	-	-	-	1
Subsidies received from government	1,693	-	1,747	-
Sundry income	8	42	3	88
	1,702	46	1,751	105

8. OTHER (LOSSES)/GAINS

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Loss on early termination of lease	(29)	-	(29)	-
Net foreign exchange (loss)/ gain	(65)	143	(74)	264
Net impairment loss recognised in respect of trade receivables	(577)	1,398	(297)	(60)
Bad debt recovered	83	-	165	-
	(588)	1,541	(235)	204

9. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Bank overdrafts interest	209	200	400	386
Bank borrowings interest	27	4	27	8
Interest on lease liabilities	4	5	8	5
	240	209	435	399

10. (LOSS)/PROFIT BEFORE TAX

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

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Auditors' remuneration	142	150	298	300
Depreciation of property, plant and equipment	459	428	917	857
Depreciation of right-of-use assets	44	90	108	90
Rental expenses in respect of short-term leases	258	238	509	570
Cost of goods sold	19,283	38,907	32,726	63,232
Staff costs including Directors' remuneration (note)				
– Salaries and wages	5,958	5,733	11,621	11,222
– Staff benefits	25	65	108	66
– Retirement benefit scheme contributions	215	162	401	315
	6,198	5,960	12,130	11,603

Note: Staff costs including Directors' remuneration included in "Selling and distribution expenses" are salaries and wages of approximately HK\$2,935,000 (six months ended 30 September 2019: HK\$2,887,000) are retirement benefit scheme contributions of approximately HK\$215,000 (six months ended 30 September 2019: HK\$142,000).

11. INCOME TAX CREDIT/(EXPENSE)

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Current tax – Hong Kong Profits Tax – Charge for the period	–	(6)	–	(6)
Current tax – Overseas taxation – Charge for the period	(8)	–	(8)	–
	(8)	(6)	(8)	(6)
Deferred tax – Credit/(Charge) for the period	37	37	78	(47)
	29	31	70	(53)

11. INCOME TAX CREDIT/(EXPENSE) (continued)

Hong Kong profit tax is calculated on the basis at 8.25% of the estimated assessable profits up to HK\$2,000,000 and 16.5% on any part of the estimated assessable profit over HK\$2,000,000 for the six months ended 30 September 2020 (Six months ended 30 September 2019: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the six months ended 30 September 2020 and 2019.

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

No provision for Hong Kong Profits Tax and PRC Enterprise Income Tax had been made as the Group had no assessable profit for the period ended 30 September 2020.

12. DIVIDEND

The Board does not recommend the payment of dividend for the six months ended 30 September 2020 and 2019.

13. (LOSS)/EARNINGS PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Loss/Earnings (Loss)/Earnings for the purpose of basic (loss)/earnings per share	(2,671)	261	(7,193)	(5,140)

	Three months ended 30 September		Six months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Shares Weighted average number of ordinary shares for the purpose of basic (loss)/ earnings per share	400,000	400,000	400,000	400,000

No diluted (loss)/earnings per share was presented as there was no potential dilutive potential shares outstanding during the six months ended 30 September 2020 and 2019.

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2020, the Group acquired property, plant and equipment of approximately HK\$78,000 (six months ended 30 September 2019: Nil).

15. TRADE RECEIVABLES

	As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
Trade receivables	18,611	14,762
Less: allowance for credit losses	(3,247)	(2,951)
	15,364	11,811

15. TRADE RECEIVABLES (continued)

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:

	As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
0-30 days	5,817	913
31-60 days	1,275	945
61-90 days	301	4,075
Over 90 days	7,971	5,878
	15,364	11,811

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

The Group allows credit period up to 90 days (31 March 2020: 60 days) to its customers.

16. AMOUNTS DUE FROM RELATED COMPANIES

Amounts due from related companies are unsecured, interest free and repayable on demand.

During the period ended 30 September 2020, the maximum amounts due from related companies are approximately HK\$2,932,000 (31 March 2020: HK\$2,485,000).

17. TRADE PAYABLES

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

	As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
0-30 days	2,696	960
31-60 days	202	493
61-90 days	343	611
Over 90 days	2,668	1,710
	5,909	3,774

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

18. BORROWINGS

	As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
Within 1 year or on demand:		
Bank borrowings – secured and guaranteed	3,679	74
Bank overdrafts – secured and guaranteed	14,166	6,666
	17,845	6,740

18. BORROWINGS (continued)

As at 30 September 2020, the bank borrowings facilities and bank overdrafts granted to the Group are secured and guaranteed by the followings:

- (a) A corporate guarantee executed by the Company;
- (b) A guarantee by Mr. Leung, Ms. Tam and HKMC Insurance Limited for the non-revolving facility for a limit not exceeding 100% of the facility amount in favour of a bank in accordance with the SME Financing Guarantee Scheme;
- (c) The Group's buildings amounting to approximately HK\$6,577,000 (31 March 2020: HK\$6,661,000); and
- (d) Pledged bank deposits amounted to HK\$9,000,000 (31 March 2020: Nil).

The entire balances of bank borrowings and bank overdrafts are secured, guaranteed and carried variable rate of interest. The floating-rate bank borrowings carry interests at premiums over or discounts to Hong Kong Interbank Offered Rate or Prime Rates quoted by a bank in Hong Kong. The effective interest rate on bank borrowings and bank overdrafts is ranging from 2.75% to 5.25% per annum.

19. SHARE CAPITAL

	Number of shares '000	Nominal value HK'000
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
At 31 March 2020 and 30 September 2020	10,000,000	100,000
<i>Issued and fully paid:</i>		
At 31 March 2020 and 30 September 2020	400,000	4,000

20. CONTINGENT LIABILITIES

At 30 September 2020, the Group did not have any contingent liabilities.

21. MATERIAL RELATED PARTY TRANSACTIONS

(a) Related party transactions

Save as disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group entered into the following material related party transactions during the periods:

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Rental expense to Joint Linker Investment Limited	246	246
Rental expense to Turbo Profit Investment Limited	207	207

Note: The related companies are controlled by Mr. Leung and Ms. Tam, who are the controlling shareholders and executive directors of the Company.

(b) Key management personnel compensation

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short term employee benefits	5,251	5,313
Post-employment benefits	88	103
	5,339	5,416

(c) Outstanding balances with related companies

Details of the balances with related companies are disclosed in note 16 to the unaudited condensed consolidated financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

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

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 proposes suggestions to the Group's customers regarding design and specifications such as choices of raw materials, styling and pattern in order to meet the brand's requirements and budgets.

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

BUSINESS REVIEW

The Group recorded revenue of approximately HK\$43.8 million for the six months ended 30 September 2020, representing a decrease of approximately 44.5% as compared to the amount of approximately HK\$78.9 million for the six months ended 30 September 2019. The Group's gross profit for the six months ended 30 September 2020 amounted to approximately HK\$8.3 million as compared with approximately HK\$12.7 million for the six months ended 30 September 2019. The overall gross profit margin increased from 16.1% for the six months ended 30 September 2019 to approximately 19.0% for the six months ended 30 September 2020. The increase in the gross profit margin was mainly due to competitive price offered by the suppliers.

FINANCIAL REVIEW

Revenue

The Group's revenue was mainly derived from the sales of its key apparel products, such as jackets, woven shirts, pullovers, pants, shorts, T-shirts and other products, including dress, top and accessories, such as face mask and bags, through the provision of apparel SCM services to our customers. For the six months ended 30 September 2020, the Group recorded an unaudited revenue of approximately HK\$43.8 million, representing a decrease of approximately 44.5% comparing with that of approximately HK\$78.9 million for the six months ended 30 September 2019. The decrease in revenue mainly derived from the lockdowns in our major markets due to the outbreak of novel coronavirus disease 2019 ("COVID-19").

The following table sets out a breakdown of the Group's unaudited revenue by product categories for the six months ended 30 September 2020 and 2019:

	Six months ended 30 September			
	2020		2019	
	HK\$'000	%	HK\$'000	%
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Jackets	18,675	42.7	39,920	50.6
Woven shirts	3,610	8.3	9,973	12.6
Pullovers	12,536	28.6	20,075	25.5
Pants and shorts	4,874	11.1	6,455	8.2
T-shirts	1,258	2.9	462	0.6
Other products (note)	2,806	6.4	1,969	2.5
	43,759	100.0	78,854	100.0

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

During the six months ended 30 September 2020, the sales volume of the Group amounted to 419,836 units of finished products as compared to 738,553 units for the six months ended 30 September 2019. Set out below are the total sales quantities of each product category for each of the six months ended 30 September 2020 and 2019:

	Six months ended 30 September			
	2020		2019	
	Unit sold (Unaudited)	% (Unaudited)	Unit sold (Unaudited)	% (Unaudited)
Jackets	85,680	20.4	228,475	30.9
Woven shirts	28,831	6.9	73,396	9.9
Pullovers	219,929	52.4	350,418	47.5
Pants and shorts	39,605	9.4	60,763	8.2
T-shirts	22,034	5.2	5,788	0.8
Other products (note)	23,757	5.7	19,713	2.7
	419,836	100.0	738,553	100.0

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

The selling price of each of the product categories depends primarily on, among other things, purchase cost, our expected profit margin as well as overhead expenses. Accordingly, the selling price of our products may differ considerably in different purchase orders by different customers. Set out below is the average selling price per unit of finished product sold to our customers for each product category for the six months ended 30 September 2020 and 2019:

	Six months ended		
	30 September		
	2020	2019	
	Average	Average	
	selling price	selling price	Rate of
	(note 1)	(note 1)	change
	HK\$	HK\$	%
	(Unaudited)	(Unaudited)	(Unaudited)
Jackets	218.0	174.7	24.8
Woven shirts	125.2	135.9	(7.9)
Pullovers	57.0	57.3	(0.5)
Pants and shorts	123.1	106.2	15.9
T-shirts	57.1	79.8	(28.4)
Other products (note 2)	118.1	99.9	18.2
Overall	104.2	106.8	(2.4)

Notes:

1. The average selling price represents the revenue for the period divided by the total sales quantities for the period.
2. Other products include, for example dress, top and accessories such as face mask and bags.

Cost of sales

Cost of sales primarily consists of cost of goods sold, raw materials and consumable goods, freight and transportation, laboratory test and inspection fee, declaration and license charges and other charges. The Group's cost of sales decreased to approximately HK\$35.5 million for the six months ended 30 September 2020 from approximately HK\$66.2 million for the six months ended 30 September 2019. Such decrease was due to a decrease in sales volume.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$4.4 million from approximately HK\$12.7 million for the six months ended 30 September 2019 to approximately HK\$8.3 million for the six months ended 30 September 2020. The Group's gross profit margin increased to approximately 19.0% for the six months ended 30 September 2020 from approximately 16.1% for the six months ended 30 September 2019. The increase in gross profit margin of the Group was mainly due to competitive price offered by the suppliers.

Other income

Other income mainly consists of (i) bank interest income, (ii) sundry income and (iii) government subsidy. The Group's other income increased from approximately HK\$0.1 million for the six months ended 30 September 2019 to approximately HK\$1.8 million for the six months ended 30 September 2020. Such increase was mainly due to subsidies received from the Employment Support Scheme from the HKSAR Government under the Anti-epidemic Fund amounted to approximately HK\$1.7 million.

Other losses or gains

Other losses or gains consist of (i) net foreign exchange loss or gain, (ii) impairment loss recognised in respect of trade receivables and (iii) bad debt recovered. The Group's recorded other losses to approximately HK\$0.2 million for the six months ended 30 September 2020 as compared with other gains of approximately HK\$0.2 million for the six months ended 30 September 2019. Such losses was mainly due to increase in (i) the foreign exchange losses; and (ii) net impairment loss recognised in respect of the trade receivable, and partially offset by the increase in bad debt recovered.

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 decreased by approximately 6.0% from approximately HK\$3.4 million for the six months ended 30 September 2019 to approximately HK\$3.2 million for the six months ended 30 September 2020. The net decrease in the selling and distribution expenses was mainly attributable to the decrease in overseas travelling for visiting overseas customers due to global travelling restriction in respect of COVID-19.

Administrative expenses

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

Administrative expenses decreased from approximately HK\$14.2 million for the six months ended 30 September 2019 to approximately HK\$13.4 million for the six months ended 30 September 2020, representing a decrease of approximately 5.6%. Such decrease was mainly attributable to the decrease in legal and professional fee and entertainment expenses.

Finance costs

The Group's finance costs increased by approximately HK\$36,000, or approximately 9.0%, from approximately HK\$399,000 for the six months ended 30 September 2019 to approximately HK\$435,000 for the six months ended 30 September 2020. The increase was mainly due to the increase in bank borrowings taken out by the Group to finance daily operations.

Income tax credit or expense

Income tax credit for the six months ended 30 September 2020 amounted approximately HK\$70,000 (for the six months ended 30 September 2019: income tax expense of approximately HK\$53,000). The income tax credit mainly derived from the deferred tax charge for less capital allowance being entitled for the six months ended 30 September 2020.

(Loss)/Profit for the period

The Group's unaudited loss was approximately HK\$7.3 million for the six months ended 30 September 2020, as compared to unaudited loss of approximately HK\$5.1 million for the six months ended 30 September 2019. The loss was mainly due to the significant drop in revenue as discussed above.

DIVIDEND

The Board does not recommend the payment of dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 September 2020, the Group's operations were mainly financed through internally generated cash flows and borrowings from banks. As at 30 September 2020 and 31 March 2020, the Group had net current assets of approximately HK\$18.8 million and HK\$25.0 million respectively, including cash and cash equivalent of approximately HK\$11.1 million and HK\$16.9 million respectively. The Group's current ratio decreased from approximately 2.5 times as at 31 March 2020 to approximately 1.6 times as at 30 September 2020 respectively.

The Directors are of the view that at the date hereof, the Group's financial resources are sufficient to support its business and operations.

GEARING RATIO

The gearing ratio, which is calculated based on the total debts (include borrowings and lease liabilities) divided by total equity. As at 30 September 2020 and 31 March 2020, the Group's gearing ratio was approximately 62.6% and 19.7%, respectively. The increase in gearing ratio was mainly attributable to the increase in the Group's interest bearing loans from approximately HK\$6.7 million as at 31 March 2020 to HK\$17.8 million as at 30 September 2020. As at 30 September 2020, the Group has unutilised committed banking facilities of approximately HK\$15.8 million. Taking into consideration its available bank balances and cash and banking credit facilities, the Group has sufficient liquidity to satisfy its funding requirement.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's key risk exposure and summarised as follow:

- (i) the Group is exposed to credit risks of our customers;
- (ii) the Group relies on several major customers and does not enter into long-term contracts with the customers. Any disruption in the business relationships with the Group's major customers may materially and adversely affect the business, prospects, financial condition and results of operations;
- (iii) the Group is subject to intense competition from competitors engaging South and Southeast Asian manufacturers, and if the Group fails to compete successfully against the competitors, the profitability and financial performance may be adversely affected;
- (iv) risks relating to the Group's business operations involving the U.S. and French customers as well as Brexit;
- (v) the Group is dependent on third parties for the production of apparel products, any disruption in the relationships with our suppliers or their operations could adversely affect our business;
- (vi) most of our suppliers are located in the PRC and any major adverse changes to the economic, political and social conditions of the PRC may adversely affect our business and results of operations;
- (vii) most of the Group's products sold to U.S. are manufactured in the PRC, such that the PRC-U.S. trade dispute may have a material and adverse effect on our business, financial conditions and results of operations; and
- (viii) any failure to maintain an effective quality control system will have a material and adverse effect on our business, financial conditions and results of operations.

For other risks and uncertainties facing the Group, please refer to the section headed "**Risk Factors**" in the prospectus of the Company dated 29 March 2018 (the "**Prospectus**").

TREASURY POLICIES

The Group adopts a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the reporting period. The management of the Group regularly reviews the recoverable amount of trade receivables by performing ongoing credit assessments and monitoring prompt recovery and if necessary to make adequate impairment losses for irrecoverable amounts. In order to achieve better cost control and minimize the cost of funds, the Group's treasury activities are centralized and cash is generally deposited with leading licensed banks in Hong Kong and denominated in Hong Kong dollars.

CAPITAL STRUCTURE

The Shares were successfully listed on GEM on 16 April 2018. There has been no change in the Company's capital structure since 16 April 2018. The capital structure of the Group comprises of issued share capital and reserves. The Directors review the Group's capital structure regularly.

As at 30 September 2020, the Company's issued share capital was HK\$4,000,000 and the number of its issued ordinary shares was 400,000,000 of HK\$0.01 each.

PLEDGE OF ASSETS

On 14 September 2020, the Group pledged HK\$9.0 million bank deposits to secure overdraft facilities granted to the Group to the extent of HK\$15.0 million (31 March 2020: Nil). As at 30 September 2020, buildings of the Group with a carrying value of approximately HK\$6.6 million has been pledged to secure bank loans obtained by the Group.

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

As at 30 September 2020, the Group did not have any significant investment, material acquisitions nor disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this interim report, the Group does not have other plans for material investment or capital assets as at 30 September 2020.

CAPITAL COMMITMENTS

As at 30 September 2020, the Group did not have any other significant capital commitments (31 March 2020: Nil).

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 30 September 2020 (31 March 2020: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group operates in Hong Kong with majority of the transactions being settled in Hong Kong dollars ("**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, Euro ("**EUR**") and Australian dollar ("**AUD**") is minimal, the Group considers there have no significant foreign exchange risk in respect of RMB, EUR and AUD.

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 30 September 2020, the Group employed a total of 54 full-time employees (30 June 2019: 50). The Group's staff costs mainly included Directors' remuneration, salaries, other staff benefits and contributions to retirement schemes. For the six months ended 30 September 2020 and 2019, the Group's total staff costs (including Directors' remuneration) amounted to approximately HK\$12.1 million and HK\$11.6 million respectively. Remuneration is determined with reference to the prevailing market terms and the performance, qualification, experience, position and seniority of individual employee.

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

FUTURE PROSPECTS

The Group's business environment was heavily affected by the COVID-19 pandemic and the PRC-U.S. political and trade dispute. The COVID-19 has widely spread over the world and global economy has been affected by the outbreak. The overall revenue of the Group was dropped by approximately 40%-45% in our first and second quarter as compared to 2019.

Reviewing our major markets, a new wave of lockdowns and business closings swept across the European countries; the U.S. remains uncertain and Australia is soon to exit lockdowns from the COVID-19 outbreak.

The management expects the demand on supply chain management services will remain stagnant in the rest of 2020 except Australia. To cope with demand in Australia, the Group will put more resources in exploring new customers and building up our image or branding.

USE OF PROCEEDS

Based on the offer price of HK\$0.58 per share, the net proceeds from the share offer (the “**Net Proceeds**”), after deducting listing related expenses, amounted to approximately HK\$31.0 million. The Group will utilise such Net Proceeds for the purposes set out in the section headed “Business Objectives and Future Plans” in the Company’s Prospectus. As at 30 September 2020, the Group’s planned and actual utilisation of the net proceeds is set out below:

Intended use of net proceeds	Planned use of net proceeds as stated in the Prospectus HK\$'000	Actual use of net proceeds up to 30 September 2020 HK\$'000	Unutilised net proceeds as at 30 September 2020 HK\$'000 (note i)	Revised timeline for intended use (note ii)
Setting up representative offices in the U.S. and France	20,257	4,233	16,024	By the end of 31 March 2022
Establishing a quality control office in the PRC	4,679	4,679	–	N/A
Repaying bank borrowings	4,144	4,144	–	N/A
General working capital	1,900	1,900	–	N/A
	30,980	14,956	16,024	

As disclosed in the announcement dated 24 August 2020, the Board will continue to adopt a cautious approach and continuously assess the plans for use of the unutilised Net Proceeds, and may further revise or amend such plans where necessary to respond to the changing market conditions, including the U.S., France and other potential markets.

Notes:

- (i) The unused proceeds are deposited in a licensed bank in Hong Kong.
- (ii) The revised timeline for utilising the remaining Net Proceeds is made based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business developments and need, and therefore is subject to change.
- (iii) The unutilised Net Proceeds from the Listing are expected to be used in accordance with the Company’s plan as disclosed in the Prospectus except that the original timeline for utilising the remaining Net Proceeds as disclosed in the Prospectus has been delayed due to, among others, the business environment being affected by the PRC-U.S. political and trade disputes and uncontained spread of COVID-19.
- (iv) The Group will delay the use of the Net Proceeds due to business environment being affected by the PRC-U.S. trade dispute and the COVID-19 global pandemic and the economic conditions was expected to be improved until the early 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 September 2020, the interests or short positions of each of the Directors and the chief executive of the Company in the shares (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 (a) to be notified to the Company and the Exchange pursuant to Division 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; or (c) have to be notified to the Company and the Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long position in the shares

Name of Director	Capacity	Number of Shares	Percentage of shareholding
Mr. Leung Kwok Hung Wilson (“ Mr. Leung ”) (note)	Interest in a controlled corporation	280,000,000	70%
Ms. Tam Shuk Fan (“ Ms. Tam ”) (note)	Interest in a controlled corporation	280,000,000	70%

Note: Such 280,000,000 Shares are registered in the name of Giant Treasure Development Limited (“**Giant Treasure**”), a company beneficially owned as to 50% by Mr. Leung and 50% by Ms. Tam. Mr. Leung and Ms. Tam are husband and wife. Therefore, each of Mr. Leung and Ms. Tam is deemed to be interested in all the shares held by Giant Treasure under the SFO.

Save as disclosed above and so far as is known to the Directors, as at 30 September 2020, none of the Directors nor chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and Exchange pursuant to Division 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 (b) pursuant to Section 352 of the SFO, to be entered in the Register referred to therein; or (c) to be notified to the Company and the Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 of the GEM Listing Rules.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed in this report, at no time during the six months ended 30 September 2020 was the Company or any of its subsidiaries or fellow subsidiaries a party to an arrangement that would enable the Directors or their close associates to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in this report, none of the Directors nor their respective close associates had a material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 September 2020.

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

As at 30 September 2020, 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 shares of the Company

Name of Shareholder	Capacity/nature of interest	Number of Shares Held	Approximate Percentage in the Company
Giant Treasure	Beneficial owner	280,000,000 (note)	70%

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

Save as disclosed above, as at 30 September 2020, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed "Interests and Short Positions of Directors and Chief Executive in the Shares, underlying Shares and Debentures of the Company" above) who had, or deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under 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.

COMPETING INTERESTS

For the period ended 30 September 2020, the Directors were not aware of any business or interest of the Directors, the controlling shareholders (as defined under the GEM Listing Rules), and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

A deed of non-competition dated 20 March 2018 was entered into by the controlling shareholders (as defined under the GEM Listing Rules) 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 its compliance adviser. As at 30 September 2020, 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 PRACTICES

The Board has adopted and complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company had complied with all the provisions of the CG Code up to the date of this report, except the deviation from provision A.2.1 of the CG Code.

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

COMPLIANCE WITH THE 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 enquiries to all the Directors and the Company was not aware of any non-compliance with the Model Code by the Directors during the six months ended 30 September 2020 and up to the date of this report.

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

During the six months ended 30 September 2020, there has been no purchases, sales and redemption of the Company's listed securities by the Company or any of its subsidiaries.

EVENT AFTER THE REPORTING PERIOD

There has been no significant event subsequent to 30 September 2020 which would materially affect the Group's operations and financial performance.

CHANGE IN INFORMATION OF DIRECTORS

The Company is not aware of any change in Directors' information which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules subsequent to the date of the Company's last annual report.

AUDIT COMMITTEE

The Company has established the audit committee (the "**Audit Committee**") with written terms of reference in compliance with provision C.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting, and Mr. Lau Yau Chuen Louis has been appointed as the chairman of the Audit Committee and is the independent non-executive Director with the appropriate professional qualifications.

The 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 this report and the unaudited condensed consolidated results of the Company for the six months ended 30 September 2020 and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosure have been made.

By Order of the Board
i.century Holding Limited
Leung Kwok Hung Wilson
*Chairman, Chief Executive
Officer
and Executive Director*

Hong Kong, 11 November 2020

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.