

# 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  
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.

*Hong Kong Exchanges and Clearing Limited and the Exchange take no responsibility for the contents of this quarterly 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 quarterly report.*

*This quarterly 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 quarterly 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 quarterly report misleading.*

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## CORPORATE INFORMATION

### **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

### **NOMINATION COMMITTEE**

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

### **COMPLIANCE ADVISER**

Messis Capital Limited  
Room 1606, 16/F., Tower 2  
Admiralty Centre  
18 Harcourt Road  
Hong Kong

### **LEGAL ADVISERS**

Chiu, Szeto & Cheng Solicitors  
Unit 402, 4th Floor  
Unit 601, 6th Floor  
Wing On House  
71 Des Voeux Road  
Central, Hong Kong

**AUDITORS**

HLB Hodgson Impey Cheng Limited  
*Certified Public Accountants*  
31/F., Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

**REGISTERED OFFICE**

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

**HEADQUARTERS AND  
PRINCIPAL PLACE OF  
BUSINESS**

Units 212-215, 2/F.  
Elite Industrial Centre  
No. 883 Cheung Sha Wan Road  
Lai Chi Kok  
Kowloon, Hong Kong

**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 Ltd  
Suite 1601, 16/F., Central Tower  
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](http://www.icenturyholding.com)

## FINANCIAL HIGHLIGHTS

- The Group recorded an unaudited revenue of approximately HK\$62.7 million for the nine months ended 31 December 2020 (nine months ended 31 December 2019: approximately HK\$92.1 million, representing a decrease of approximately 32.0% over the same period of 2019).
- The unaudited loss of the Group for the nine months ended 31 December 2020 amounted to approximately HK\$14.3 million (nine months ended 31 December 2019: unaudited loss of approximately HK\$11.0 million).
- The Board do not recommend the payment of any dividend for the nine months ended 31 December 2020 (nine months ended 31 December 2019: Nil).

## THIRD QUARTERLY RESULTS

The board of Directors (the “**Board**”) of the Company announces the unaudited condensed consolidated financial results of the Group for the nine months ended 31 December 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 three months and nine months ended 31 December 2020

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>Revenue</b>	4	<b>18,903</b>	13,295	<b>62,662</b>	92,149
Cost of sales		<b>(15,794)</b>	(10,375)	<b>(51,247)</b>	(76,569)
<b>Gross profit</b>		<b>3,109</b>	2,920	<b>11,415</b>	15,580
Other income	5	<b>77</b>	20	<b>1,828</b>	125
Other (losses)/gains	6	<b>(1,955)</b>	699	<b>(2,190)</b>	903
Selling and distribution expenses		<b>(1,673)</b>	(2,286)	<b>(4,904)</b>	(5,724)
Administrative expenses		<b>(6,465)</b>	(7,026)	<b>(19,884)</b>	(21,245)
Finance costs		<b>(286)</b>	(202)	<b>(721)</b>	(601)
<b>Loss before tax</b>	7	<b>(7,193)</b>	(5,875)	<b>(14,456)</b>	(10,962)
Income tax credit/(expense)	8	<b>42</b>	(21)	<b>112</b>	(74)
<b>Loss for the period</b>		<b>(7,151)</b>	(5,896)	<b>(14,344)</b>	(11,036)
<b>Other comprehensive (loss)/ income</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operations		<b>(5)</b>	4	<b>35</b>	(10)
<b>Total comprehensive loss for the period attributable to owners of the Company</b>		<b>(7,156)</b>	(5,892)	<b>(14,309)</b>	(11,046)
<b>Loss per share</b>					
Basic and diluted (HK cents)	10	<b>(1.8)</b>	(1.5)	<b>(3.6)</b>	(2.8)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 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 HK\$'000	Total equity HK\$'000
At 1 April 2019 (Audited)	4,000	43,238	-	(7)	5,839	53,070
Loss for the period	-	-	-	-	(11,036)	(11,036)
Other comprehensive loss:						
Exchange difference arising on translation of foreign operations during the period	-	-	-	(10)	-	(10)
Total comprehensive loss for the period	-	-	-	(10)	(11,036)	(11,046)
At 31 December 2019	4,000	43,238	-	(17)	(5,197)	42,024
<b>At 1 April 2020 (Audited)</b>	<b>4,000</b>	<b>43,238</b>	<b>-</b>	<b>(48)</b>	<b>(11,152)</b>	<b>36,038</b>
Loss for the period	-	-	-	-	(14,344)	(14,344)
Other comprehensive loss:						
Exchange difference arising on translation of foreign operations during the period	-	-	-	35	-	35
Total comprehensive loss for the period	-	-	-	35	(14,344)	(14,309)
At 31 December 2020	4,000	43,238	-	(13)	(25,496)	21,729



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 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 dollar ("**HK\$**"), which is the functional currency of the Company and its principal subsidiaries and all values are rounded to the nearest thousands (HK\$'000), except when otherwise stated.

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2020 have been prepared in accordance with all the applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereafter collectively referred to as the "**HKFRSs**") 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, unless otherwise stated.

The unaudited condensed consolidated financial statements for the nine months ended 31 December 2020 have been prepared on the historical cost basis.

## 2. BASIS OF PREPARATION (continued)

The unaudited condensed consolidated financial statements does not include all information and disclosures 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 HKFRSs have been issued. 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. REVENUE

Disaggregation of revenue from contracts with customers:

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of goods	18,903	13,295	62,662	92,149

## 5. OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Interest income	-	5	1	21
Staff welfare sponsorship	-	12	-	12
Subsidiaries received from government	20	-	1,767	-
Sundry income	57	3	60	92
	<b>77</b>	20	<b>1,828</b>	125

## 6. OTHER (LOSSES)/GAINS

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Loss on early termination of lease	-	-	(29)	-
Written off property, plant and equipment	(1,690)	-	(1,690)	-
Net foreign exchange gain/(loss)	46	151	(28)	415
Reversal of impairment loss recognised in respect of trade receivables	610	300	313	240
Bad debt recovered	83	248	248	248
Bad debts written off	(1,004)	-	(1,004)	-
	<b>(1,955)</b>	699	<b>(2,190)</b>	903

## 7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Auditors' remuneration	142	150	440	450
Depreciation of property, plant and equipment	280	438	1,197	1,295
Depreciation of right-of-use assets	35	71	143	161
Rental expenses in respect of short-term leases	263	285	772	855
Cost of goods sold	15,203	10,014	47,929	73,246
Staff costs including directors' remuneration (note)				
– Salaries and wages	5,907	6,357	17,528	17,579
– Staff benefits	55	50	163	116
– Retirement benefit scheme contributions	191	187	592	502
	6,153	6,594	18,283	18,197

Note: Staff costs including Directors' remuneration included in "Selling and distribution expenses" are salaries and wages of approximately HK\$4,455,000 (nine months ended 31 December 2019: HK\$4,762,000) and retirement benefit scheme contributions of approximately HK\$314,000 (nine months ended 31 December 2019: HK\$252,000).

## 8. INCOME TAX CREDIT/(EXPENSE)

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Current tax				
– Hong Kong Profits Tax	–	–	–	–
– Overseas taxation	–	–	(8)	(6)
Deferred tax	–	–	(8)	(6)
Credit/(charge) for the period	42	(21)	120	(68)
	42	(21)	112	(74)

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 profits over HK\$2,000,000 for the nine months ended 31 December 2020 and 2019.

Under the Law of 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 nine months ended 31 December 2020 and 2019.

## 8. INCOME TAX CREDIT/(EXPENSE) (continued)

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 profits for the period ended 31 December 2020.

## 9. DIVIDENDS

The Board do not recommend the payment of dividends for the nine months ended 31 December 2020.

## 10. LOSS PER SHARE

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

	Three months ended		Nine months ended	
	31 December 2020 (Unaudited)	2019 (Unaudited)	31 December 2020 (Unaudited)	2019 (Unaudited)
<b>Loss</b>				
Loss for the purpose of calculating basic loss per share (HK\$'000)	<b>(7,151)</b>	(5,896)	<b>(14,344)</b>	(11,036)
<b>Shares</b>				
Weighted average number of ordinary shares for the purpose of basic loss per share ('000)	<b>400,000</b>	400,000	<b>400,000</b>	400,000

No diluted loss 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 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 specification 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 outbreak of COVID-19 and the subsequent quarantine measures as well as the travel restrictions imposed by many countries have had negative impacts to the global economy, business environment and directly or indirectly our Group's performance.

For the nine months ended 31 December 2020, the Group recorded revenue of approximately HK\$62.7 million, representing a decrease of approximately 32.0% as compared to the amount of approximately HK\$92.1 million for the nine months ended 31 December 2019. The Group's gross profit for the nine months ended 31 December 2020 amounted to approximately HK\$11.4 million and approximately HK\$15.6 million for the nine months ended 31 December 2019. The overall gross profit margin increased to approximately 18.2% for the nine months ended 31 December 2020 from approximately 16.9% for the nine months ended 31 December 2019. 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 our key apparel products, such as jackets, woven shirts, pullovers, pants, shorts, T-shirts and other products, including dress, vests and accessories, such as face mask and bags, through the provision of apparel SCM services to our customers. For the nine months ended 31 December 2020, the Group recorded an unaudited revenue of approximately HK\$62.7 million, representing a decrease of approximately 32.0% comparing with that of approximately HK\$92.1 million for the nine months ended 31 December 2019. The decrease in revenue mainly derived from our customers changed to a conservative procurement attitude and the outbreak of COVID-19 pandemic.

The following table sets out a breakdown of the Group's unaudited revenue by product categories for the nine months ended 31 December 2020 and 2019:

	Nine months ended 31 December			
	2020		2019	
	HK\$'000	%	HK\$'000	%
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Jackets	23,453	37.4	45,013	48.8
Woven shirts	7,317	11.7	12,159	13.2
Pullover	14,479	23.1	20,196	21.9
Pants and shorts	10,472	16.7	9,201	10.0
T-shirts	3,078	4.9	1,210	1.3
Other products (Note)	3,863	6.2	4,370	4.8
	<b>62,662</b>	<b>100.0</b>	92,149	100.0

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



During the nine months ended 31 December 2020, the sales volume of the Group amounted to 604,486 units of finished products as compared to 867,839 units for the nine months ended 31 December 2019. Set out below are the total sales quantities of each product category for each of the nine months ended 31 December 2020 and 2019:

	<b>Nine months ended 31 December</b>			
	<b>2020</b>		<b>2019</b>	
	<b>Unit sold</b>	<b>%</b>	Unit sold	%
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	(Unaudited)	(Unaudited)
Jackets	<b>112,757</b>	<b>18.7</b>	261,169	30.1
Woven shirts	<b>62,956</b>	<b>10.4</b>	92,852	10.7
Pullover	<b>238,859</b>	<b>39.5</b>	338,033	39.0
Pants and shorts	<b>94,440</b>	<b>15.6</b>	90,014	10.4
T-shirts	<b>56,390</b>	<b>9.3</b>	16,001	1.8
Other products (Note)	<b>39,084</b>	<b>6.5</b>	69,770	8.0
	<b>604,486</b>	<b>100.0</b>	867,839	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 nine months ended 31 December 2020 and 2019:

	<b>Nine months ended 31 December</b>		
	<b>2020</b>	2019	
<b>Average selling price (Note 1)</b>		Average selling price (Note 1)	Rate of change
<b>HK\$ (Unaudited)</b>	<b>HK\$ (Unaudited)</b>	HK\$ (Unaudited)	% (Unaudited)
Jackets	<b>208.0</b>	172.4	20.7
Woven shirts	<b>116.2</b>	131.0	(11.2)
Pullover	<b>60.6</b>	59.7	1.5
Pants and shorts	<b>110.9</b>	102.2	8.5
T-shirts	<b>54.6</b>	75.6	(27.8)
Other products (Note 2)	<b>98.9</b>	62.6	57.8
<b>Overall</b>	<b>103.7</b>	106.2	(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\$51.2 million for the nine months ended 31 December 2020 from approximately HK\$76.6 million for the nine months ended 31 December 2019.

### *Gross profit and gross profit margin*

The Group's gross profit decreased by approximately HK\$4.2 million from approximately HK\$15.6 million for the nine months ended 31 December 2019 to approximately HK\$11.4 million for the nine months ended 31 December 2020. The Group's gross profit margin increased by approximately 1.3% to approximately 18.2% for the nine months ended 31 December 2020 from approximately 16.9% for the nine months ended 31 December 2019. The increase in gross profit margin was mainly attributable to competitive price offered by the suppliers.

### *Other income*

Other income mainly consists of (i) bank interest income and (ii) sundry income. The Group's other income increased from approximately HK\$0.1 million for the nine months ended 31 December 2019 to approximately HK\$1.8 million for the nine months ended 31 December 2020. The increase was mainly due to subsidies received from the Employment Support Scheme from the HKSAR Government under the Anti-epidemic Fund amounted to approximately 1.7 million.

### *Other (losses)/gains*

Other (losses)/gains consist of (i) net foreign exchange gains; (ii) written off property, plant and equipment; (iii) reversal of impairment loss recognised in respect of trade receivables; and (iv) bad debt recovered; and (v) bad debt written off. The Group's recorded other losses to approximately HK\$2.2 million for the nine months ended 31 December 2020 as compared with other gains of approximately HK\$0.9 million for the nine months ended 31 December 2019. The other losses was mainly derived from the written off property, plant and equipment due to early termination of the rental agreement in the PRC and bad debt written off.

### *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 14.3% from approximately HK\$5.7 million for the nine months ended 31 December 2019 to approximately HK\$4.9 million for the nine months ended 31 December 2020, which 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 (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 slightly decreased to approximately HK\$19.9 million for the nine months ended 31 December 2020 from approximately HK\$21.2 million for the nine months ended 31 December 2019, representing a decrease of approximately 6.4%. 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\$0.1 million, from approximately HK\$0.6 million for the nine months ended 31 December 2019 to approximately HK\$0.7 million for the nine months ended 31 December 2020. The increase was mainly due to the increase in bank borrowings taken out by the Group to finance daily operations.

### *Income tax credit/(expense)*

Income tax credit for the nine months ended 31 December 2020 amounted approximately HK\$112,000 as compared with income tax expense of approximately HK\$74,000 for the nine months ended 31 December 2019. The income tax credit mainly derived from reversal of the deferred tax charge for less capital allowance being entitled for the nine months ended 31 December 2020.

### *Loss For the period*

Loss and total comprehensive loss for the period increase from approximately HK\$11.0 million for the nine months ended 31 December 2019 to approximately HK\$14.3 million for the nine months ended 31 December 2020. The loss was mainly due to the significant drop in revenue as discussed above.

### *IMPACT OF COVID-19*

Amidst the epidemic of COVID-19, the management has been closely monitoring the Group's cash flow to ensure the sufficiency of short term and long term liquidity by carrying out strict cost controls and negotiating new banking facilities.

As at the date of this quarterly report, the management does not foresee any short and long term liquidity issues of the Group's financial performance and the management will closely monitor the situation and assess its impact on the Group's financial position and operating results in a timely manner.

### *DIVIDEND*

The Board do not recommend the payment of dividend for the nine months ended 31 December 2020 (2019: Nil).

### *FUTURE PROSPECTS*

The Group's business environment was heavily affected by the COVID-19 pandemic and the PRC-U.S. political and trade dispute. While the outbreak of COVID-19 has been evolved rapidly and globally, and it has significantly impacted the global economy. Such significant impact on the global economic markets adversely affect the financial performance of our Group so that the revenue of the Group was dropped by approximately 44.5% and 32.0% in our interim and third quarter as compared to the corresponding period in 2019.

In view of unfavourable market conditions across the European countries and the uncertainty from the PRC-U.S. political and trade dispute, the Group will be more focus on the Australia market and put more resources in exploring new customers and building up our image or branding, as our share in the Australia market was growing over the past years.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### *INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS*

As at 31 December 2020, the interests and 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 Stock 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) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

#### *Long position in the shares of the Company*

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

Notes: 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 31 December 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.

### ***INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION***

As at 31 December 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***

<b>Name of Shareholder</b>	<b>Capacity/nature of interest</b>	<b>Number of Shares held</b>	<b>Approximate percentage of the Shareholding</b>
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 31 December 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 or any Associated Corporations" 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.

### ***DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE***

Save as disclosed in this quarterly report, at no time during the nine months ended 31 December 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.

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

During the nine months ended 31 December 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

### ***COMPETING INTERESTS***

For the nine months ended 31 December 2020, 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 of the Company dated 29 March 2018.

### ***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 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).

### ***COMPLIANCE WITH 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 code provisions of the CG Code up to the date of this quarterly report, except the deviation from provision A.2.1 of the CG Code.

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 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**”). Having made specific enquiry of all the Directors, the Directors have complied with the Model Code and the Company was not aware of any non-compliance with the Model Code by the Directors during the nine months ended 31 December 2020 and up to the date of this quarterly report.

### ***EVENT AFTER THE REPORTING PERIOD***

There is no significant event subsequent to 31 December 2020 which would materially affect the Group's operating and financial performance.

### ***AUDIT COMMITTEE***

The Company has established the Audit Committee with written terms of reference in compliance with paragraph C.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis 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 quarterly report and the unaudited condensed consolidated results of the Company for the nine months ended 31 December 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, 8 February 2021

*As at the date of this quarterly 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 seven days from the date of its publication and on the Company's website at [www.icenturyholding.com](http://www.icenturyholding.com).*