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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 FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 30 JUNE 2021**

**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 of the Exchange 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 together with its subsidiaries, the “**Group**”) hereby announces the unaudited first quarterly results of the Group for the three months ended 30 June 2021. This announcement, containing the full text of the 2021 first quarterly report of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to the information to accompany preliminary announcements of quarterly results. The printed version of the Company’s 2021 first quarterly report will be dispatched to the shareholders of the Company and available for viewing on the website of GEM of the 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, 13 August 2021

As at the date of this announcement, the Executive Directors are Mr. Leung Kwok Hung Wilson, Ms. Tam Shuk Fan; 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 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 (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.

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 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 (collectively 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 Company. 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
(resigned on 3 May 2021)

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

AUDITOR

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

31/F., Gloucester Tower

The Landmark

11 Pedder Street

Central

Hong Kong

REGISTERED OFFICE IN CAYMAN ISLANDS

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Grand Cayman, KY1-1111

Cayman Islands

***HEADQUARTERS AND
PRINCIPAL PLACE OF BUSINESS
IN HONG KONG***

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 IN
CAYMAN ISLANDS***

Conyers Trust Company (Cayman) Ltd
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
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

FINANCIAL HIGHLIGHTS

- The Group recorded an unaudited revenue of approximately HK\$28.5 million for the three months ended 30 June 2021 (three months ended 30 June 2020: approximately HK\$17.2 million), representing an increase of approximately 66.0% as compared to corresponding period in 2020.
- The unaudited loss of the Group for the three months ended 30 June 2021 amounted to approximately HK\$1.4 million (three months ended 30 June 2020: unaudited loss of approximately HK\$4.5 million), representing a decrease of 68.5% over the corresponding period in 2020.
- The Board do not recommend the payment of any dividend for the three months ended 30 June 2021 (three months ended 30 June 2020: nil).

FIRST QUARTERLY RESULTS

The board of directors (the “**Board**”) of the Company announces the unaudited condensed consolidated financial results of the Group for the three months ended 30 June 2021, together with the comparative unaudited figures for the corresponding period in 2020, as follows:

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

For the three months ended 30 June 2021

		Unaudited Three months ended 30 June	
	Notes	2021 HK\$'000	2020 HK\$'000
Revenue	4	28,535	17,190
Cost of sales		(23,239)	(14,203)
Gross profit		5,296	2,987
Other income		55	49
Other gain and losses, net	5	915	353
Selling and distribution expenses		(1,890)	(1,471)
Administrative expenses		(5,596)	(6,286)
Finance costs		(332)	(195)
Loss before tax	6	(1,552)	(4,563)
Income tax credit	7	133	41
Loss for the period		(1,419)	(4,522)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(4)	–
Total comprehensive loss for the period attributable to owners of the Company		(1,423)	(4,522)
Loss per share			
Basic and diluted (<i>HK cents</i>)	8	(0.4)	(1.1)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2021

	Attributable to owners of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Contribution reserve HK\$'000 (Note i)	Exchange reserve HK\$'000 (Note ii)	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 April 2020 (Audited)	4,000	43,238	-*	(48)	(11,152)	36,038
Loss for the period	-	-	-	-	(4,522)	(4,522)
Other comprehensive income:						
Exchange differences on translation of foreign operations during the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(4,522)	(4,522)
At 30 June 2020 (Unaudited)	4,000	43,238	-*	(48)	(15,674)	31,516
At 1 April 2021 (Audited)	4,000	43,238	-*	(12)	(27,843)	19,383
Loss for the period	-	-	-	-	(1,419)	(1,419)
Other comprehensive loss:						
Exchange difference arising on translation of foreign operations during the period	-	-	-	(4)	-	(4)
Total comprehensive loss for the period	-	-	-	(4)	(1,419)	(1,423)
At 30 June 2021 (Unaudited)	4,000	43,238	-*	(16)	(29,262)	17,960

* The amount is less than HK\$1,000

Notes:

- (i) Contribution reserve of the Group represents the difference between the aggregated share capital of the subsidiaries and one nil paid share of the Company issued as fully paid pursuant to the Reorganisation (as defined in the prospectus of the Company dated 29 March 2018 (the "Prospectus")) for transfer of the subsidiaries to the Company. The balance was approximately HK\$4.
- (ii) Exchange reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar) are recognised directly in other comprehensive income and accumulated in the translation reserve. Such exchange differences accumulated in the exchange reserve are reclassified to accumulated losses on the disposal of the foreign operations.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2021

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 immediate 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 shares of the Company (the "**Shares**") have been listed on GEM of the Exchange on 16 April 2018.

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 for the three months ended 30 June 2021 have been prepared under the historical cost basis and in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards and Interpretations. These unaudited condensed consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

2. BASIS OF PREPARATION (continued)

The unaudited condensed consolidated financial statements for the three months ended 30 June 2021 should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2021 and the notes thereto (the “**2021 Audited Consolidated Financial Statements**”). The significant accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the 2021 Audited Consolidated Financial Statements except for the new and revised standards, amendments and interpretations issued by the HKICPA that are adopted for the first time for the current period’s financial statements. It should be noted that accounting estimates and assumptions were adopted in the preparation of the unaudited condensed consolidated financial statements. Although the estimates are based on the management’s best knowledge of and judgment on the present events and actions, the actual results may eventually differ from those estimates.

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

During the period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2021. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s unaudited condensed consolidated financial statements and amounts reported for the current and prior accounting periods.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial period beginning 1 April 2021. The Directors anticipate that the new and revised HKFRSs will be adopted in the Group’s unaudited condensed consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

- (a) Disaggregation of revenue from contracts with customers:

	Unaudited	
	Three months ended	
	30 June	
	2021	2020
	HK\$'000	HK\$'000
Sales of goods	28,535	17,190

- (b) *Segment Information*

The Group has one reportable segment which is the provision of SCM services to the Group's customers. Information reported to the directors who are the chief operating decision-makers, for the purpose of resources allocation and assessment of the Group's 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.

4. REVENUE AND SEGMENT INFORMATION (continued)

(b) Segment Information (continued)

Information about major customers

The following table sets out information about the revenue from customers during the period individually contributing over 10% of the Group's revenue:

	Unaudited	
	Three months ended	
	30 June	
	2021	2020
	HK\$'000	HK\$'000
Customer A	5,684	N/A
Customer B	N/A	4,530
Customer C	5,568	4,366
Customer D	3,796	N/A
Customer E	3,592	3,344

N/A: The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Geographical Information

The following table sets out information about the geographical location of the Group's revenue from external customers during the period. The geographical location of customers is based on the location to which the services were provided or the goods delivered:

4. REVENUE AND SEGMENT INFORMATION (continued)

(b) Segment Information (continued)

	Unaudited Three months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
United States of America ("USA")	10,132	11,133
France	82	3,326
Other European countries (Note i)	11,552	457
Australia	1,091	831
Canada	346	87
Japan	1,041	1,283
Other locations (Note ii)	291	73
	28,535	17,190

Notes:

- (i) Other European countries mainly include Sweden and United Kingdom.
- (ii) Other locations mainly include New Zealand, South Korea, South Africa and Taiwan.

5. OTHER GAIN AND LOSSES, NET

	Unaudited Three months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Net foreign exchange loss	(9)	(9)
Reversal of impairment loss in respect of trade receivables	892	280
Bad debts recovered	110	82
Impairment loss recognised in respect of deposits and other receivables	(78)	–
	915	353

6. LOSS BEFORE TAX

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

	Unaudited	
	Three months ended	
	30 June	
	2021	2020
	HK\$'000	HK\$'000
Auditors' remuneration	125	156
Depreciation of property, plant and equipment	334	458
Depreciation of right-of-use assets	35	64
Rental expenses in respect of short-term leases	276	251
Cost of goods sold	21,968	13,443
Staff costs including directors' remuneration (Note)		
– Salaries and wages	4,870	5,663
– Staff benefits	29	83
– Retirement benefit scheme contributions	192	186
	5,091	5,932

Note: Staff costs including Directors' remuneration included in "Selling and distribution expenses" are salaries and wages of approximately HK\$1,644,000 (three months ended 30 June 2020: HK\$1,340,000) and retirement benefit scheme contributions of approximately HK\$104,000 (three months ended 30 June 2020: HK\$91,000).

7. INCOME TAX CREDIT

	Unaudited Three months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Current tax – Hong Kong Profits Tax – Charge for the period	–	–
Deferred tax – Credit for the period	133	41
	133	41

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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%.

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

No provision for Hong Kong Profits Tax, PRC Enterprise Income Tax and other overseas subsidiary had been made as the Group had no assessable profit for the period ended 30 June 2021.

8. LOSS PER SHARE

	Unaudited Three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Loss		
Loss for the purpose of calculating basic loss per share	(1,419)	(4,522)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	400,000	400,000

The calculation of basic loss per share for the period ended 30 June 2021 and 2020 is based on loss attributable to owners of the Company and the weighted average number of ordinary shares.

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

9. DIVIDENDS

The Directors do not recommend the payment of dividends for the three months ended 30 June 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The Group is an apparel supply chain management 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., Europe and Australia, 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 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

During the period, the Group recorded revenue of approximately HK\$28.5 million for the three months ended 30 June 2021, representing an increase of approximately 66.0% as compared to the amount of approximately HK\$17.2 million for the three months ended 30 June 2020. The Group's gross profit for the three months ended 30 June 2021 amounted to approximately HK\$5.3 million and approximately HK\$3.0 million for the three months ended 30 June 2020. The overall gross profit margin increased from 17.4% for the three months ended 30 June 2020 to 18.6% for the three months ended 30 June 2021. The significant increase in revenue and gross profit was mainly due the increase in the sales volume.

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, tank top, vests and accessories, such as towel, socks and bags, through the provision of apparel SCM services to our customers. For the three months ended 30 June 2021, the Group recorded an unaudited revenue of approximately HK\$28.5 million, representing an increase of approximately 66.0% comparing with that of approximately HK\$17.2 million for the three months ended 30 June 2020. The significant increase in revenue was mainly due to increase in sales volume.

The following table sets out a breakdown of the Group's revenue by product categories for the three months ended 30 June 2021 and 2020:

Product category	Unaudited Three months ended 30 June			
	2021		2020	
	HK\$'000	%	HK\$'000	%
Jackets	5,946	20.8	9,729	56.6
Woven shirts	2,241	7.9	1,576	9.2
Pullover	5,920	20.7	2,071	12.0
Pants and shorts	8,629	30.3	2,668	15.5
T-shirts	3,222	11.3	289	1.7
Other products (Note)	2,577	9.0	857	5.0
	28,535	100.0	17,190	100.0

Note: Other products include, for example, dress, tank top, vest and accessories such as towel, socks and bags.

During the three months ended 30 June 2021, the sales volume of the Group amounted to 278,931 units of finished products as compared to approximately 138,939 units for the three months ended 30 June 2020. Set out below are the total sales quantities of each product category for each of the three months ended 30 June 2021 and 2020:

Product category	Unaudited Three months ended 30 June			
	2021		2020	
	Unit sold	%	Unit sold	%
Jackets	34,320	12.3	52,042	37.5
Woven shirts	17,941	6.4	13,551	9.8
Pullover	60,528	21.7	36,530	26.3
Pants and shorts	85,429	30.6	21,684	15.6
T-shirts	52,639	18.9	5,514	4.0
Other products (Note)	28,074	10.1	9,618	6.8
	278,931	100.0	138,939	100.0

Note: Other products include, for example, dress, tank top, vest and accessories such as towel, socks 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 three months ended 30 June 2021 and 2020:

Product category	Unaudited		
	Three months ended 30 June		
	2021	2020	
	Average	Average	
	selling price	selling price	Rate of
	(Note 1)	(Note 1)	change
	HK\$	HK\$	%
Jackets	173.3	186.9	(7.3)
Woven shirts	124.9	116.3	7.4
Pullover	97.8	56.7	72.5
Pants and shorts	101.0	123.0	(17.9)
T-shirts	61.2	52.5	16.6
Other products (Note 2)	91.8	89.2	2.9
	102.3	123.7	(17.3)

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, tank top, vest and accessories such as towel, socks 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 increased to approximately HK\$23.2 million for the three months ended 30 June 2021 from approximately HK\$14.2 million for the three months ended 30 June 2020, representing an increase of approximately 63.6%. Such increase was in line with the total sales volume.

Gross profit and gross profit margin

The Group's gross profit increase by approximately 77.3% from approximately HK\$3.0 million for the three months ended 30 June 2020 to approximately HK\$5.3 million for the three months ended 30 June 2021. The Group's gross profit margin increased from approximately 17.4% for the three months ended 30 June 2020 to 18.6% for the three months ended 30 June 2021. The increased in gross profit margin was mainly attributable to the Group's strategy of competitive pricing for more ordering from brand owner customers.

Other income

Other income mainly consists of (i) bank interest income; (ii) sundry income and (iii) government grants. The Group's other income increased by approximately 12.2% from approximately HK\$49,000 for the three months ended 30 June 2020 to approximately HK\$55,000 for the three months ended 30 June 2021. The increase was mainly attributable to the increase in bank interest income.

Other gain and losses, net

Other gains consist of (i) net foreign exchange loss and (ii) reversal of impairment loss in respect of trade receivables and (iii) bad debts recovered. The Group's recorded other gain to approximately HK\$0.4 million for the three months ended 30 June 2020 as compared with other gain of approximately HK\$0.9 million for the three months ended 30 June 2021. The increase in other gains was mainly due to the reversal of impairment loss in respect of trade receivables.

Selling and distribution expenses

Selling and distribution expenses mainly consist of salaries and mandatory provident fund for merchandising staff. Selling and distribution expenses increased by approximately 28.5% from approximately HK\$1.5 million for the three months ended 30 June 2020 to approximately HK\$1.9 million for the three months ended 30 June 2021. The net increase in the selling and distribution expenses was mainly attributable to the annual salary increment and increase in merchandising headcounts in line with our business expansion.

Administrative expenses

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

Administrative expenses decreased to approximately HK\$5.6 million for the three months ended 30 June 2021 from approximately HK\$6.3 million for the three months ended 30 June 2020, representing a decrease of approximately 11.0%. Such decrease was mainly attributable to the voluntarily reduced their staff costs from general and administrative staff.

Finance costs

The Group's finance costs increased by approximately 70.3%, from approximately HK\$0.2 million for the three months ended 30 June 2020 to approximately HK\$0.3 million for the three months ended 30 June 2021. The increase was mainly due to the increase in bank borrowings taken out by the Group to finance daily operations.

Income tax credit

Income tax credit of the Group increased by approximately HK\$92,000 from approximately HK\$41,000 for the three months ended 30 June 2020 to approximately HK\$133,000 for the three months ended 30 June 2021. The income tax credit mainly derived from reversal of deferred tax liability for less capital allowance being entitled for the three months ended 30 June 2021.

Loss and total comprehensive loss attributable to owners of the Company

Loss and total comprehensive loss for the period increase from approximately HK\$4.5 million for the three months ended 30 June 2020 to approximately HK\$1.4 million for the three months ended 30 June 2021. Such improvement was mainly attributable to the increase in revenue and gross profit margin during the three months ended 30 June 2021 when comparing with that of the same period in previous year.

DIVIDEND

The Board do not recommend the payment of dividend for the three months ended 30 June 2021 (2020: nil).

FUTURE PROSPECTS

Throughout the year of 2020, our Group was suffered from impact of COVID-19 and went through fluctuations in sales. The nation-wide lockdown due to the pandemic has negatively influenced our sales which were dropped significantly.

Along with many countries move out of the lockdown, our sales have gradually recovered, eventually leading to favourable outcomes. Amongst them, Australia and European countries have specifically achieved excellent results. Looking ahead, we will take advantage of this recovery to further strengthen our sales.

Moreover, we have been working on taking our group on a new direction with promoting 'sustainability' as our main goal to the market, producing high-quality sustainable sports apparel and active wears. Overall, we are more than satisfied with our achievements and are absolutely certain that we will make a prosperous future.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2021, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), which were required to be notified to the Company and the Exchange (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the “Register”); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Exchange were as follows:

Long position in the shares of the Company

Name of Director	Capacity/ Nature of interest	Number of interested shares	Approximate percentage of the Company's issued share capital
Mr. Leung	Interest in a controlled corporation	280,000,000	70%
Ms. Tam	Interest in a controlled corporation	280,000,000	70%

Note: Such 280,000,000 shares are registered in the name of Giant Treasure, a company beneficially owned as to 50% by Mr. Leung 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 June 2021, 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 the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions 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 to 5.67 of the GEM Listing Rules.

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

As at 30 June 2021, and so far as known to the Directors the particulars of the corporate persons, other than the Directors and chief executive of the Company, which had 5% or more interests and short positions in the shares and the underlying shares of the Company as recorded in the register kept pursuant to section 336 of the SFO were as follows:

Long position in the shares of the Company

Name of Shareholder	Capacity/ nature of interest	Number of issued shares held/ interested in	Approximate percentage of the shareholding
Giant Treasure	Beneficial owner	280,000,000 (note)	70%

Note: Such 280,000,000 shares are registered in the nature 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 June 2021, the Company had not been notified by any persons/entities (other than Directors or chief executive of the Company) who has interests or short positions in the shares or underlying shares of the Company which were recorded in the register of the Company required to be kept under section 336 of the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed in this quarterly report, at no time during the three months ended 30 June 2021 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 three months ended 31 June 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

NON-COMPETITION UNDERTAKINGS BY CONTROLLING SHAREHOLDERS

For the period ended 30 June 2021, 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.

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 a deviation from the CG Code provision A.2.1.

Pursuant to code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated 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 paragraph A.2.1 of the CG Code is appropriate in such circumstance.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Model Code**”). The Company had also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the Model Code by the Directors during the three months ended 30 June 2021 and up to the date of this quarterly report.

EVENT AFTER THE REPORTING PERIOD

On 21 July 2021, Majestic City International Limited (“**Vendor**”), an indirect wholly-owned subsidiary of the Company, Wayland Property Investments Limited (“**Purchaser**”) and Centaline Property Agency Limited (“**Property Agent**”) entered into preliminary sale and purchase agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase Factory No. 12 and 13, 2/F., Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Kowloon Hong Kong (“**Properties**”) for a consideration of HK\$22,649,000. Formal agreement will be signed on or before 20 August 2021 and completion of the transaction took place on or before 8 October 2021. Upon the completion, the Vendor and the Purchaser will enter into the tenancy agreement, whereby the Vendor will lease back the Properties, together with the two units adjacent to the Properties for the Group’s use for a term of 18 months commencing from the date of completion at a monthly fee of HK\$100,000 (rents and rates and management fees inclusion). Further details of are set out in the announcement of the Company dated 23 July 2021.

Save as disclosed above, the Board is not aware of any significant events affecting the Group after the reporting period and up to the date of this quarterly report.

AUDIT COMMITTEE

The Company has established the audit committee (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 Mr. Lau Yau Chuen Louis, Mr. Lee Kwun Ting and Ms. Cheung Wai Man. Mr. Lau Yau Chuen Louis has been appointed as the chairman of the Audit Committee and is the independent non-executive Director with the appropriate professional qualifications.

The Audit Committee had reviewed the unaudited condensed consolidated financial results of the Company for the three months ended 30 June 2021 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, 13 August 2021

As at the date of this quarterly report, the executive Directors are Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan and the independent non-executive Directors are Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting.

This quarterly report 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 date of its publication and on the Company's website at www.icenturyholding.com.