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If you have sold or transferred all your shares in i.century Holding Limited (the “**Company**”), you should at once hand this circular to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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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)

MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF PROPERTY

Financial adviser to the Company

MESSIS  **大有融資**

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Board is set out on pages 3 to 7 of this circular.

In lieu of a resolution to be passed at a general meeting of the Company pursuant to Rule 19.44 of the GEM Listing Rules, the Company has obtained a written Shareholders’ approval from Giant Treasure, being the controlling Shareholder holding more than 50% of the issued share capital of the Company as at the Latest Practicable Date to approve the Disposal. Accordingly, no general meeting will be convened for the purpose of the approval of the Disposal and the transactions contemplated thereunder. This circular is being despatched to the Shareholders for information only.

10 September 2021

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:

“Announcement”	the announcement of the Company dated 23 July 2021 in relation to the Disposal
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors of the Company
“Company”	i.century Holding Limited (stock code: 8507), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion”	completion of the Disposal pursuant to the Formal Agreement
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	the total consideration of HK\$22,649,000 payable by the Purchaser for the Disposal
“Disposal”	the Disposal of the Property by the Vendor to the Purchaser
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement dated 20 August 2021 entered into between the Vendor and the Purchaser in relation to the Disposal
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Giant Treasure”	Giant Treasure Development Limited, a company incorporated in the BVI on 18 November 2016 with limited liability and owned by Mr. Leung Kwok Hung Wilson and Ms. Tam Shuk Fan in equal shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“Latest Practicable Date”	7 September 2021, being the latest practicable date for ascertaining certain information referred to in this circular prior to its printing
“Preliminary Sale and Purchase Agreement”	the preliminary sale and purchase agreement dated 21 July 2021 entered into between the Vendor, the Purchaser and the Property Agent in respect of the sale and purchase of the Property
“Property”	Factory No.12 and 13, 2/F, Elite Industrial Centre, No.883 Cheung Sha Wan Road, Kowloon, Hong Kong
“Property Agent”	Centaline Property Agency Limited
“Purchaser”	Wayland Property Investments Limited, a company incorporated in Hong Kong on 18 October 2016 with limited liability
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement to be entered into between the Group and the Purchaser in relation to the leasing of the Property and the two units adjacent to the Property for a term of 18 months commencing from the date of the Completion
“Vendor”	Majestic City International Limited, a company incorporated in Hong Kong on 18 August 2008 with limited liability and an indirect wholly owned subsidiary of the Company
“%”	per cent

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Leung Kwok Hung Wilson (*Chairman*)
Ms. Tam Shuk Fan

Independent non-executive Directors:

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

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Head office 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

10 September 2021

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF PROPERTY

INTRODUCTION

Reference is made to the Announcement.

On 21 July 2021 (after trading hours), the Vendor, being an indirect wholly-owned subsidiary of the Company, the Purchaser and the Property Agent entered into the Preliminary Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at the consideration of HK\$22,649,000. Subsequently, the Vendor and the Purchaser entered into the Formal Agreement on 20 August 2021.

As a written approval of the Disposal has been obtained from Giant Treasure, being the controlling Shareholder who interested in 280,000,000 Shares (representing 70.0% of the total issued share capital of the Company) as at the Latest Practicable Date, approving the Disposal pursuant to Rule 19.44 of the GEM Listing Rules, the Company will not convene any general meeting to approve the Disposal. The purpose of this circular is to provide you for information only with (i) further details of the Disposal; and (ii) other information as required under the GEM Listing Rules.

LETTER FROM THE BOARD

Details of the Disposal are set out below:

THE PRELIMINARY SALE AND PURCHASE AGREEMENT AND THE FORMAL AGREEMENT

The principal terms of the Preliminary Sale and Purchase Agreement and/or the Formal Agreement are set out below:

	Preliminary Sale and Purchase Agreement	Formal Agreement
Date	21 July 2021	20 August 2021
Parties	(i) Majestic City International Limited, as the Vendor; (ii) Wayland Property Investment Limited, as the Purchaser; (iii) Centaline Property Agency Limited, as the Property Agent	(i) the Vendor; (ii) the Purchaser

The subject matter

The Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Property. The Property will be sold on “as is” basis and in the physical state and condition as it stands.

Consideration and payment terms

The selling price of the Property shall be HK\$22,649,000, which shall be payable by the Purchaser to the Vendor in the manners as follows:

- (a) HK\$1,000,000 was paid by the Purchase upon the signing of the Preliminary Sale and Purchase Agreement as initial deposit;
- (b) a further deposit in the sum of HK\$1,264,900, was paid by the Purchaser to the Vendor on or before 20 August 2021;
- (c) the remaining balance of HK\$20,384,100, shall be paid by the Purchaser upon Completion on or before 8 October 2021.

Pursuant to the Preliminary Sale and Purchase Agreement, the Property Agent shall be entitled to receive a commission in the amount of HK\$200,000 from the Vendor no later than 8 October 2021.

LETTER FROM THE BOARD

The Consideration was determined after arm's length negotiations between the parties with reference to the prevailing market value of comparable properties in the vicinity of the Property. The comparable properties are the actual sales of the properties located in the same industrial building of the Property (i.e. Elite Industrial Centre) during the first half of 2021. Based on the above selection criteria, on the best effort basis, the Company has identified 7 comparable properties located at Elite Industrial Centre from an external independent property database, with saleable area ranges from 1,280 square feet to 1,422 square feet. The market value per square feet for the above comparable properties ranges from approximately HK\$7,031 to HK\$7,936, while the selling price of the Property is approximately HK\$7,626 per square feet.

Completion

Completion is expected to take place on or before 8 October 2021.

TENANCY AGREEMENT

Upon the Completion, the Vendor and the Purchaser will enter into the Tenancy Agreement, whereby the Vendor will lease back the Property, together with the two units adjacent to the Property 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 (rent and rates and management fees inclusive). The two units adjacent to the Property are currently leased by the Group under the leasing agreements entered into between the Group and Turbo Profit Investment Limited and Joint Linker Investment Limited, respectively, who are the connected persons of the Group. The Property, together with the two units adjacent to the Property, will continue to serve as the Group's office premises.

INFORMATION OF THE GROUP AND THE VENDOR

The Company is an exempted company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the provision of apparel supply chain management services.

The Vendor is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. The Vendor is principally engaged in providing apparel supply chain management services.

INFORMATION OF THE PURCHASER AND THE PROPERTY AGENT

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser is a company incorporated in Hong Kong on 18 October 2016 with limited liability and principally engaged in property investment and other investments. The Purchaser is ultimately owned as to 69% by Ko Yat Fung, 13% by Ko Wan Ping and 6% by each of Ko Wan Har, Ko Tsz Yeung Nelson and Ting Ho Hung, respectively.

The Property Agent is a company incorporated in Hong Kong with limited liability and operates property agencies in Hong Kong.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Purchaser and the Property Agent and their respective ultimate beneficial owner(s) is an Independent Third Party.

LETTER FROM THE BOARD

INFORMATION OF THE PROPERTY

The Property is located at Factory No.12 and 13, 2/F, Elite Industrial Centre, No.883 Cheung Sha Wan Road, Kowloon, Hong Kong and has a saleable area of approximately 2,970 square feet and is for non-residential use. The Property has been principally used as the Company's principal place of business in Hong Kong and its headquarter for product development, showroom and ancillary office.

The Property is being pledged by the Group in favour of a bank to obtain bank overdrafts in the amount of HK\$15 million (the "**Bank Overdrafts**"). It is expected that the Bank Overdrafts will be repaid in full by the proceeds from the Disposal for the release of the aforesaid pledge at Completion. The release of the pledge is not a condition precedent to the Completion.

With reference to the valuation report on the Property issued by International Valuation Limited, an independent property valuer, the valuation of the Property was approximately HK\$22.76 million as at 31 July 2021. Further details of the valuation report are set out in Appendix II to this circular.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Subject to further audit procedures to be performed by the auditors of the Company, a gain of approximately HK\$16.2 million is expected to be recognised by the Group from the Disposal, being the difference of the Consideration of HK\$22.649 million and the audited carrying amount of the Property as of 31 March 2021 of approximately HK\$6.49 million. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to the review and final audit by the auditors of the Company.

It is estimated that the net proceeds from the Disposal would be approximately HK\$21.9 million after deducting related expenses associated with the Disposal including commission to the Property Agent and professional fees. The Company intended to use the net proceeds from the Disposal of (i) approximately HK\$15 million to repay the Bank Overdrafts and (ii) approximately HK\$6.9 million for the Group's working capital purpose.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board has been assessing the property market in Hong Kong and reviewing the Group's options over the Property as held by the Group. In view of the prospects of the property market and economy in Hong Kong and taking into consideration the current financial position of the Group, the Directors consider that the Disposal represents an opportunity for the Group to realise the appreciated value of the Property to repay bank overdrafts so as to reduce the gearing position of the Group and generate additional working capital to the Group and thus enhance the financial position of the Group. Having considered that the Property will continue to serve as the Group's office premises upon the Completion, the Directors are of the view that the Disposal will not have a material adverse effect on the Group's operations.

LETTER FROM THE BOARD

GEM LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders and their respective associates has any material interest in the Disposal and therefore, no Shareholder would be required to abstain from voting on the resolution in respect of the Disposal if the Company were to convene a general meeting to approve the Disposal. As at the Latest Practicable Date, Giant Treasure is the controlling Shareholder and beneficially holds 280,000,000 Shares, representing 70.0% of the total issued share capital of the Company. A written approval of the Disposal has been obtained from Giant Treasure. Pursuant to Rule 19.44 of the GEM Listing Rules, such written approval may be accepted in lieu of holding a general meeting of the Company, and accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

In accordance with HKFRS 16, the Company will recognize right-of-use assets on its consolidated statement of financial position in connection with the transaction contemplated under the Tenancy Agreement. Accordingly, the entering into of the Tenancy Agreement will be regarded as an acquisition of asset under the definition of transaction set out in Rule 19.04(1)(a) of the GEM Listing Rules. As all applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Tenancy Agreement are less than 5% for the Company, the transactions contemplated under the Tenancy Agreement are not subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

RECOMMENDATIONS

For the reasons set out above, the Directors (including the independent non-executive Directors) consider that the Disposal is in the interests of the Company and the Shareholders as a whole and the terms of the Preliminary Sale and Purchase Agreement and the Formal Agreement are on normal commercial terms and are fair and reasonable.

Accordingly, the Directors (including the independent non-executive Directors) would recommend the Shareholders to vote in favour of the resolution if the Company were to convene a special general meeting for the approval of the Disposal.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION

The financial information of the Group for the three years ended 31 March 2019, 31 March 2020 and 31 March 2021 and for the three months ended 30 June 2021, was disclosed in the annual reports of the Company for the three years ended 31 March 2019, 31 March 2020 and 31 March 2021 and the first quarterly report of the Company for the three months ended 30 June 2021, respectively. The aforementioned financial information of the Group has been published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.i.centuryholding.com>). Please refer to the hyperlinks as stated below:

- (i) Annual report of the Company for the year ended 31 March 2019 (pages 45 to 111):

<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0628/gln20190628159.pdf>

- (ii) Annual report of the Company for the year ended 31 March 2020 (pages 42 to 109):

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0629/2020062900517.pdf>

- (iii) Annual report of the Company for the year ended 31 March 2021 (pages 42 to 107):

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0630/2021063000812.pdf>

- (iv) First quarterly report of the Company for the three months ended 30 June 2021 (pages 5-14):

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0813/2021081301522.pdf>

2. STATEMENT OF INDEBTEDNESS

As at the close of business of 31 July 2021, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the total indebtedness of the Group was set out as follow:

(i) Bank overdrafts and bank borrowings

Bank overdrafts of approximately HK\$23.2 million were secured by buildings and pledged bank deposits and were guaranteed by a corporate guarantee executed by the Company. Bank borrowings of approximately HK\$3.8 million were guaranteed by Mr. Leung Kwok Hung Wilson, Ms. Tam Shuk Fan and the HKMC Insurance Limited.

(ii) Lease liabilities

Lease liabilities of approximately HK\$118,000 which were unguaranteed and unsecured.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables, the Group did not have any outstanding bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, which were either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities at the close of business on 31 July 2021.

To the best knowledge of the Directors, having made all reasonable enquiries, there had been no material change in indebtedness or contingent liabilities of the Group since 31 July 2021 and up to the Latest Practicable Date.

3. WORKING CAPITAL

After due and careful enquiry, the Directors are of the opinion that, taking into account the net proceeds from the Disposal, the internal financial resources available, the financial support from its shareholder and the existing banking facilities of the Group, the Group has sufficient working capital for its present requirement for the next twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position or outlook of the Group since 31 March 2021 (the date to which the latest audited consolidated financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS

The outbreak and recent development of the COVID-19 has severely impacted the Group's business operation in Europe due to intermittent national lockdowns for months. Operation of businesses have been severely affected and economy slumps contributed to the decrease in demands to the Group's supply chain management services. It is expected that the Group's business expansion plan in Europe has been and will be impeded by the postponed resumption of normal operation and low consumers' demand. Australia has been less affected by the COVID-19, the economy and business operations in Australia have recovered at a rate faster than that of the European market. During the financial year ended 31 March 2021, to capture the potential growth of the Australian market, the Group set up a representative office in Melbourne, Australia.

Along with many countries move out of the lockdown, the Group's sales have gradually recovered, eventually leading to favourable outcomes. Amongst them, Australia and European countries have specifically achieved excellent results. As a result, for the three months ended 30 June 2021, the Group recorded an unaudited revenue of approximately HK\$28.5 million (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, while 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. Looking ahead, the Group will take advantage of this recovery to further strengthen its sales.

Looking forward, despite the unprecedented challenge from the COVID-19 pandemic and the complicated socioeconomic environment, the Group strived to mitigate the impact brought by the COVID-19 pandemic and cautiously sought the business opportunity to diversify the business and financial risk of the Group. For instance, the Group will put more resources on exploring apparel products with sustainability materials in order to cope with the demand on sustainability concepts especially in Australia and Europe. In additions, by setting up the representative offices in our three major markets (i.e. U.S., Europe and Australia), it will mitigate the global travel restriction in respect of the COVID-19 pandemic to visit overseas customers.

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from International Valuation Limited, an independent valuer, in connection with its valuation of the Property as at 31 July 2021.



INTERNATIONAL VALUATION LIMITED
國際評估有限公司

Unit 907, 9/F,
Wing On Plaza,
62 Mody Road,
Tsim Sha Tsui East,
Kowloon
Hong Kong

10 September 2021

The Board of Directors
i.century Holding Limited
Units 212-215, 2/F., Elite Industrial Centre
No. 883 Cheung Sha Wan Road
Lai Chi Kok
Kowloon
Hong Kong

Dear Sir/Madam,

Re: Factory Nos. 12 and 13 on 2nd Floor, Elite Industrial Centre, No.883 Cheung Sha Wan Road, Kowloon, Hong Kong (THE ‘PROPERTY’)

1. INSTRUCTIONS AND VALUATION DATE

In accordance with your instruction for us to value the Market Value of the Property to be disposed by i.century Holding Limited (the “**Company**”) and its subsidiaries (together the “**Group**”), we confirm that we have carried out an external inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Property as at 31 July 2021 for transaction purpose.

2. BASIS OF VALUATION

Our valuation of the Property represents its market value which in accordance with the HKIS Valuation Standards 2020 Edition issued by The Hong Kong Institute of Surveyors (“**HKIS**”) is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Our valuation has been prepared in accordance with generally accepted valuation procedures and in compliance with the requirements contained in Chapter 8 of the GEM Listing Rules.

3. VALUATION METHODOLOGIES

We have valued the Property on open market basis and on the vacant possession, and the direct comparison method is adopted where comparison based on prices realized on actual sales of comparable properties is made. Comparable properties of similar size, type and location are analyzed and carefully weighed against all the respective advantages and disadvantages of each Property in order to arrive at a fair comparison of market value.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Property on the open market in its existing state without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the value of the Property.

Unless stated as otherwise, we have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of all laws, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this valuation is based, all required licenses, permit, certificate and authorizations have been obtained.

We have assumed that the owners of the Property has free and uninterrupted rights to use and dispose of the Property for the whole of the unexpired term of Government lease.

5. TITLE INVESTIGATION

We have carried out searches to be made at the Land Registry of the Property located in Hong Kong. However, we have not verified ownership of the Property or to verify the existence of any amendments. All documents have been used for reference only.

6. LIMITING CONDITIONS

We have inspected the exterior of the Property but no structural survey has been made, but in the course of our inspection, we did not note any serious defects. No tests were carried out to any of the services. All dimensions, measurements and areas are only approximations.

No internal inspection had been made for the Property. We are unable to report and comment on the interiors of the Property. We have assumed that the interiors of the Property are finished and maintained in reasonable conditions commensurate with its age and uses.

Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the copies of documents handed to us are correct.

We have relied to a very considerable extent on the information provided by the Company and have accepted information therein on such matters as planning approvals, statutory notices, easements, tenure, occupation, tenancy details, floor area and the identification of the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which are material to the valuation. We have also been advised by the Company that no material fact has been omitted from information so supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, we have assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

The conclusion of value is based on generally accepted valuation procedures and practices that rely extensively on assumptions and considerations, not all of which can be easily quantified or ascertained exactly. While we have exercised our professional judgement in arriving at the valuation, you are urged to consider carefully the nature of such assumptions which are disclosed in this report and should exercise caution when interpreting this report.

This valuation is to be used for the purpose stated herein. Any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our valuation in whole or in part, in any document prepared by the Company and/or distribute to third parties may be made without written consent.

Neither the whole nor any part of this letter and the certified opinion of value attached nor any reference thereto shall be included in any document, circular or statement without prior consent of the form and context in which they will respectively appear. This letter and certified opinion of value are only for the use of the party to whom it is addressed and no responsibility shall be accepted to any third party for the whole or any part of its content.

We hereby certify that we have neither present nor prospective interest in the Company or the value reported.

7. REMARKS

Unless otherwise stated, all monetary amounts are in Hong Kong dollars. We enclose herewith our valuation certificate.

Yours faithfully
For and on behalf of
International Valuation Limited
Patrick Lee
Director (Real Estate)
BSC., MHKIS

Mr. Patrick Lee is a Corporate Member from the General Practice Division of the Hong Kong Institute of Surveyors. He has over 20 years post qualification experience in the valuation of properties in Hong Kong and the PRC.

International Valuation Limited is a professional valuation firm dedicated to provide independent corporate consultancy and valuation services for clients. Its professional valuer teams have relevant experiences and qualifications to provide high standard of valuation and services.

International Valuation Limited has equipped its property valuation team with members of HKIS, RICS and PRC Real Estate Appraiser who have extensive experiences in valuation of various types of subject premises; while its business valuation team comprises of charter holders of CPA, CFA and FRM with essential accounting and financial knowledge and modelling techniques for valuation.

VALUATION CERTIFICATE

Property to be disposed by the Group in Hong Kong

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2021 RMB
Factory Nos. 12 and 13 on 2nd Floor, Elite Industrial Centre, No.883 Cheung Sha Wan Road, Kowloon Hong Kong	The Property comprises two units on the 2nd Floor of a 15-storey industrial (including a basement carpark and roof floor). The building was completed in 1986. As scaled off from a registered floor plan, the saleable area of the Property is approximately 2,970 sq.ft..	The Property was occupied by the Group for product development, showroom and ancillary office uses as at the date of valuation.	HK\$22,760,000
32/3,414th shares of and in New Kowloon Inland lot No. 5944	The Property is held under a Conditions of Sale for a lease term of 99 years commencing on 1 July 1898. The term has been statutorily extended to 30 June 2047. The government rent payable for the Property is at 3% of the rateable value for the time being of the property per annum.		

Notes:

- (1) The registered owner of the property is Majestic City International Limited, an indirect wholly owned subsidiary of the Company.
- (2) According to a preliminary sale and purchase agreement dated 21 July 2021 entered into between the registered owner and Wayland Property Investments Limited (the "**Purchaser**"), the Purchaser has conditionally agreed to purchase and the owner has conditionally agreed to sell the Property at a consideration of HK\$22,649,000.
- (3) According to the land search carried out on 9 August 2021, the followings are summarised as below:
 - a. The Property is subject to a Deed of Mutual Covenant vide memorial no. UB3070579 dated 28 May 1986.
 - b. The Property is subject to a mortgage in favour of Bank of China (Hong Kong) Limited vide memorial no. 10063002750164 dated 31 May 2010.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interest or short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV to the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange:

Name of Director	Capacity/Nature of Interest	Number of Shares held <i>(Note 1)</i>	Approximate % of the total issued Share <i>(Note 2)</i>
Mr. Leung Kwok Hung Wilson ("Mr. Leung")	Interest in a controlled corporation <i>(Note 2)</i>	280,000,000 (L)	70%
Ms. Tam Shuk Fan ("Mr. Tam")	Interest in a controlled corporation <i>(Note 2)</i>	280,000,000 (L)	70%

Notes:

- The letter "L" denotes long positions in the Shares and underlying Shares.
- 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 the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) as recorded in the register of the Company required to be kept under Section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) The interest and short position of the substantial Shareholders and other persons in the Shares, underlying shares and debentures of the Company

So far as the Directors are aware, as at the Latest Practicable Date, other than the Directors and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares held (Note)	Approximate percentage of the shareholding
Giant Treasure	Beneficial owner	280,000,000 (L)	70%

Notes:

1. The letter "L" denotes long positions in the Shares and underlying Shares
2. 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 the Latest Practicable Date, 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 required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company.

3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors has any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to acquired or disposed of by or leased to any members of the Group since 31 March 2021, being the date to which the latest published audited financial statements of the Group were made up.

Save as disclosed in this circular, there is no contract or arrangement subsisting as at the Latest Practicable Date in which any Director is materially interested and which is significant in relation to the business of the Group.

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or substantial Shareholders or any of their respective associates had an interest in a business which competes or may compete with the business of the Group or had any other conflict of interest which any such person has or may have with the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

6. LITIGATION

As far as the Directors are aware, as at the Latest Practicable Date, neither the Company nor its subsidiaries was involved in any litigation or arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

7. EXPERT'S QUALIFICATION AND CONSENT

The following is the expert, and its qualification, who has given opinion contained in this circular:

Name	Qualification
International Valuation Limited	Independent property valuer

International Valuation Limited is a professional valuation firm dedicated to provide independent corporate consultancy and valuation services for clients. Mr. Patrick Lee is a director (real estate) of International Valuation Limited and he is a Corporate Member from the General Practice Division of the Hong Kong Institute of Surveyors. He has over 20 years post qualification experience in the valuation of properties in Hong Kong and the PRC.

International Valuation Limited has given and confirmed that it has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, advice, opinion and/or reports and references to its name in the form and context in which they respectively appeared.

As at the Latest Practicable Date, International Valuation Limited was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group nor did it have any interests, either direct or indirect, in any assets which have been, since 31 March 2021 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Group within the two years immediately preceding the Latest Practicable Date which are, or may be, material:

- (a) the Preliminary Sale and Purchase Agreement; and
- (b) the Formal Agreement.

9. GENERAL

- (i) the secretary of the Company is Mr. Kwok Chi Yin, who is a member of CPA Australia and a member of the Hong Kong Institute of Certified Public Accountants.
- (ii) the compliance officer of the Company is Mr. Leung Kwok Hung Wilson, who is the chairman of the Board, the executive Director and the chief executive officer of the Group.
- (iii) the registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (iv) the Company's head office and principal place of business in Hong Kong is situated at Units 212-215, 2/F, Elite Industrial Centre, No.883 Cheung Sha Wan Road, Lai Chi Kok, Kowloon, Hong Kong.
- (v) the Company's branch share registrar and transfer office in Hong Kong is Link Market Services (Hong Kong) Pty Limited located at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong.

- (vi) the English text of this circular prevails over the Chinese text in case of inconsistency.
- (vii) The primary duties of the audit committee of the Company 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. As at the Latest Practicable Date, the audit committee of the Company comprised three independent non-executive Directors, namely, Mr. Lau Yau Chuen Louis (chairman of the audit committee), Ms. Cheung Wai Man and Mr. Lee Kwun Ting, and their biographical details are as follows:

Ms. Cheung Wai Man (張慧敏, “Ms. Cheung”), aged 52, was appointed as an independent non-executive Director on 20 March 2018. Ms. Cheung is also a member of the audit committee (the “**Audit Committee**”), a member of the remuneration committee (the “**Remuneration Committee**”) and a member of the nomination committee (the “**Nomination Committee**”). Ms. Cheung is responsible for providing independent judgement on the Group's strategy, performance, resources and standard of conduct. Ms. Cheung has approximately 29 years of experience in merchandising field. After completion of her postsecondary education, she worked in Associated Merchandising Corporation Hong Kong Office, a retail merchandising sourcing services provider, from August 1988 and March 1993 and her last position was assistant merchandise representative. She was an assistant merchandiser of Liz Claiborne International Limited, a company engaged in buying and sourcing of fabrics and raw materials for apparel and garments, and was promoted to merchandiser in July 1994 until she left in May 1995. From June 1995, she was an associate merchandiser of Gap International Sourcing Limited, an apparel manufacturer and provider, and subsequently was promoted to merchandise manager in accessories category until her departure in January 2017. Since then, Ms. Cheung has not been engaged in any employment or business as she wishes to devote more time to her other personal commitments.

Mr. Lau Yau Chuen Louis (劉友專, “Mr. Lau”), aged 44, was appointed as an independent non-executive Director on 20 March 2018. Mr. Lau is also the chairman of the Audit Committee, member of the Remuneration Committee and member of the Nomination Committee. Mr. Lau is responsible for providing independent judgement on the Group's strategy, performance, resources and standard of conduct. After graduated from City University of Hong Kong, Mr. Lau obtained a MBA from the University of Greenwich in United Kingdom and is a member of the Association of Chartered Certified Accountants. Mr. Lau has over 20 years of financial reporting, audit and compliance experiences gained from international certified public accounting firms and listed companies. Mr. Lau was formerly an executive director and financial controller of Artini China Co. Ltd. (stock code: 789); the deputy chief financial officer and company secretary of China Innovative Financial Group Limited (stock code: 412); the independent non-executive director of IAG Holding Limited (stock code: 8513); and the chief financial officer of Millennium Pacific Group Holdings Limited (stock code: 8147). Mr. Lau is currently the chief financial officer of WG Sky Farm International Group Limited.

Mr. Lee Kwun Ting (李冠霆, “Mr. Lee”), aged 34, was appointed as an independent non-executive Director on 8 August 2018. Mr. Lee is also a member of the Audit Committee, chairman of the Remuneration Committee and member of the Nomination Committee. Mr. Lee is responsible for providing independent judgement of the Group’s strategy, performance, resources and standard of conduct. Mr. Lee is a qualified solicitor in Hong Kong. After graduating from The University of Hong Kong with a Bachelor of Laws (LLB), Mr Lee obtained a Postgraduate Certificate in Laws (PCLL) and a Master in Laws (LLM) from the University of Hong Kong. Mr. Lee was an Associate of Messrs. W.K. To & Co. from August 2012 to June 2018. From June 2018 to August 2019, Mr. Lee was a consultant of Messrs. Fongs. In November 2019, Mr. Lee commenced practice in Messrs. Ivan Lee & Co. Mr. Lee is currently a member of the Domestic Violence Panel, the Law Society of Hong Kong. Moreover, Mr. Lee serves as a Legal Aid Panel Solicitor of the Legal Aid Department and a Chief Inspector of the Hong Kong Auxiliary Police Force.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong unless (i) a tropic cyclone warning signal number 8 or above is hoisted, or (ii) a black rainstorm warning signal is issued, except public holidays, for a period of 14 days from the date of this circular:

- (a) the Preliminary Sale and Purchase Agreement;
- (b) the Formal Agreement;
- (c) the memorandum and articles of association of the Company;
- (d) the annual reports of the Company for the two years ended 31 March 2020 and 2021;
- (e) the first quarterly report of the Company for the three months ended 30 June 2021;
- (f) the property valuation report from International Valuation Limited, the text of which is set out in Appendix II to this circular;
- (g) the written consent referred to in the paragraph headed “Expert’s qualification and consent” in this appendix; and
- (h) this circular.