

i.century Holding Limited 愛世紀集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8507

INTERIM REPORT
2024



century

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

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

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*This interim 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 Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this interim 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 interim 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

Independent Non-Executive Directors

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

COMPANY SECRETARY

Mr. Kwok Chi Yin

COMPLIANCE OFFICER

Mr. Leung Kwok Hung Wilson

AUTHORISED REPRESENTATIVES

Ms. Tam Shuk Fan
Mr. Kwok Chi Yin

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NORMINATION COMMITTEE

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

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

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

CORPORATE INFORMATION

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

6/F., Orient International Tower
No. 1018 Tai Nan West Street
Lai Chi Kok
Kowloon
Hong Kong

**PRINCIPAL SHARE
REGISTRAR AND
TRANSFER OFFICE IN
CAYMAN ISLANDS**

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

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

Link Market Services (Hong Kong)
Pty Limited
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\$90.2 million for the six months ended 30 September 2024 (six months ended 30 September 2023: approximately HK\$57.8 million), representing an increase of approximately 56.0% as compared to corresponding period in 2023.
- Profit attributable to owners of the Company was approximately HK\$2.2 million for the six months ended 30 September 2024 (six months ended 30 September 2023: loss attributable to owners of the Company of approximately HK\$9.2 million).
- The Board does not recommend the payment of any dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

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

For the six months ended 30 September 2024

The board of directors (the “**Board**”) of the Company hereby announces the unaudited condensed consolidated financial results of the Group for the six months ended 30 September 2024, together with the comparative unaudited figures for the corresponding period in 2023, are as follows:

		Six months ended 30 September	
Notes		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	6	90,215	57,833
Cost of sales		(69,493)	(43,984)
Gross profit		20,722	13,849
Other income	7	590	85
Other gains and losses, net	8	299	(3,324)
Selling and distribution expenses		(5,576)	(4,847)
Administrative expenses		(13,473)	(12,987)
Finance costs	9	(654)	(521)
Profit/(loss) before tax	10	1,908	(7,745)
Income tax credit/(expense)	11	269	(1,443)
Profit/(loss) for the period		2,177	(9,188)
Other comprehensive (loss)/ income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(398)	60
Total comprehensive income/ (loss) for the period attributable to owners of the Company		1,779	(9,128)
Earnings/(loss) per share			
Basic and diluted (HK cents)	13	0.4	(2.3)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	14	21,947	23,096
Right-of-use assets		857	1,005
Deferred tax assets		92	–
		22,896	24,101
Current assets			
Inventories		574	108
Trade receivables	15	21,221	9,757
Deposits paid, prepayments and other receivables	16	9,403	8,681
Amounts due from related companies	17	3,470	3,270
Amounts due from related party	18	2,437	2,437
Pledged bank deposits		1,400	1,400
Bank balances and cash		5,525	10,189
		44,030	35,842
Current liabilities			
Trade payables	19	16,540	7,307
Other payables and accruals		3,085	2,502
Contract liabilities		5,767	8,176
Bank borrowings	20	22,669	24,558
Lease liabilities		364	362
		48,425	42,905
Net current liabilities		(4,395)	(7,063)
Total assets less current liabilities		18,501	17,038

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Equity attributable to owners of the Company			
Share capital	21	4,000	4,000
Reserves		13,980	12,201
Total equity		17,980	16,201
Non-current liabilities			
Lease liabilities		521	660
Deferred tax liabilities		–	177
		521	837
		18,501	17,038

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	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 2023 (Audited)	4,000	43,238	-*	70	(13,584)	33,724
Loss for the period	-	-	-	-	(9,188)	(9,188)
Other comprehensive income for the period:						
Exchange differences arising on translation of foreign operations	-	-	-	60	-	60
Total comprehensive loss for the period	-	-	-	60	(9,188)	(9,128)
At 30 September 2023 (Unaudited)	4,000	43,238	-*	130	(22,772)	24,596
At 1 April 2024 (Audited)	4,000	43,238	-*	146	(31,183)	16,201
Profit for the period	-	-	-	-	2,177	2,177
Other comprehensive loss for the period:						
Exchange differences arising on translation of foreign operations	-	-	-	(398)	-	(398)
Total comprehensive income for the period	-	-	-	(398)	2,177	1,779
At 30 September 2024 (Unaudited)	4,000	43,238	-*	(252)	(29,006)	17,980

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net cash (used in)/generated from operating activities	(1,573)	870
Investing activities		
Interest received	42	47
Purchase of property, plant and equipment	(13)	(8,734)
Net cash generated from/(used in) investing activities	29	(8,687)
Financing activities		
Interest paid	(620)	(511)
Repayments of bank borrowings	(1,889)	(859)
Repayments of lease liabilities	(188)	(50)
Net cash used in financing activities	(2,697)	(1,420)
Net decrease in cash and cash equivalents	(4,241)	(9,237)
Cash and cash equivalents at beginning of the period	10,189	17,115
Effect of foreign exchange rate changes	(423)	60
Cash and cash equivalents at the end of the period	5,525	7,938
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	5,525	7,938

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 6/F., Orient International Tower, No. 1018 Tai Nan West Street, Lai Chi Kok, Kowloon, Hong Kong. The Company's immediate holding company and 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 shares of the Company (the "**Shares**") have been listed on GEM of the Stock 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 of the Group for the six months ended 30 September 2024 have been prepared in accordance with the Hong Kong Accounting Standard 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the GEM Listing Rules.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2024 have been prepared on the historical cost basis.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2. BASIS OF PREPARATION (continued)

The unaudited condensed consolidated financial statements do not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual report for the year ended 31 March 2024.

Going concern assumption

As at 30 September 2024, the Group had net current liabilities of approximately HK\$4,395,000 (31 March 2024: approximately HK\$7,063,000). The Directors considered the following in evaluating the Group's ability to continue as a going concern:

- Substantial shareholders of the Company agreed to provide financial support for the continuing operation of the Group;
- The Group had bank borrowings of approximately HK\$22,669,000 as at 30 September 2024, of which approximately HK\$12,642,000 is repayable within one year. The remaining bank borrowings amounting to approximately HK\$10,027,000 were classified as current liabilities due to the existence of a repayment on demand clause in the loan agreement. The Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors believes that such bank borrowings will be repaid in accordance with the scheduled repayment dates as set out in the loan agreement;
- The Group had unutilised banking facility of HK\$7,000,000 as at 30 September 2024;

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

2. BASIS OF PREPARATION (continued)

Going concern assumption (continued)

- The Group has been taking active measures to collect trade and other receivables through various channels to improve operating cash flows and its financial position; and
- The Group will apply stringent cost control in administrative expenses and capital expenditures.

Based on the above considerations, the Board is of the opinion that the Group has sufficient funds to meet its working capital commitments, expected capital expenditure and debt obligations. As a result, the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024 have been prepared on a going concern basis.

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

During the period, certain new and revised Hong Kong Financial Reporting Standard (“**HKFRSs**”) have been issued. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The Directors considered that the adoption of new and revised HKFRSs which are effective for the accounting period beginning on 1 April 2024 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. ESTIMATES

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

In preparing this condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

5. SEGMENT INFORMATION

The Group is principally engaged in sales of apparel products with the provision of apparel SCM services to customers.

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker ("**CODM**") in order to allocate resources to segments and to assess their performance. The information reported to the Directors who are the CODM, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the Directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. SEGMENT INFORMATION (continued)

(a) Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group as follow:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Customer A	36,295	14,905
Customer B	19,896	10,255

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

(b) Geographical information

The following tables set out information about geographic location of customers is based on the location to which the goods are delivered. The geographic location of non-current assets are based on the physical location of the assets.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. SEGMENT INFORMATION (continued)

(b) Geographical information (continued)

Revenue from external customers

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
United States of America ("U.S.")	28,785	18,161
France	4,248	1,681
Other European countries (note i)	37,243	17,518
Australia	19,098	18,732
Canada	85	316
Japan	–	1,047
Other location (note ii)	756	378
	90,215	57,833

Notes:

- (i) Other European countries include Netherlands and United Kingdom.
- (ii) Other locations include New Zealand, Portugal and South Africa.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. SEGMENT INFORMATION (continued)

(b) Geographical information (continued)

Non-current assets

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Hong Kong	21,939	23,089
The PRC, excluding Hong Kong	44	65
France	145	195
Australia	676	752
	22,804	24,101

6. REVENUE

Disaggregated of revenue from contracts with customers:

	Six months ended 30 September 2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Sales of goods	90,215	57,833

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7. OTHER INCOME

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest income	42	47
Service income	294	–
Sundry income	254	38
	590	85

8. OTHER GAINS AND LOSSES, NET

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net foreign exchange gains/(loss)	494	(88)
Impairment loss recognised in respect of trade receivables, net	(277)	(1,858)
Bad debt recovered	82	138
Impairment loss recognised in respect of deposits and other receivables, net	–	(1,465)
Loss on disposal of property, plant and equipment	–	(51)
	299	(3,324)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on bank borrowings	620	511
Interest on lease liabilities	34	10
	654	521

10. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Auditors' remuneration	344	325
Depreciation of property, plant and equipment	1,162	764
Depreciation of right-of-use assets	190	48
Rental expenses in respect of short-term leases	1,320	1,662
Cost of inventories sold	64,835	42,236
Staff costs including Directors' remuneration (note)		
– Salaries and wages	11,118	9,887
– Staff benefits	116	149
– Retirement benefit scheme contributions	414	391
	11,648	10,427

Note: Staff costs including Directors' remuneration included in "Selling and distribution expenses" are salaries and wages of approximately HK\$3,649,000 (six months ended 30 September 2023: HK\$2,900,000) are retirement benefit scheme contributions of approximately HK\$226,000 (six months ended 30 September 2023: HK\$213,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

11. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current tax – Hong Kong Profits Tax – Charge for the period	–	–
Deferred tax – (Credit)/charge for the period	(269)	1,443
	(269)	1,443

Under the two-tiered profits tax rates regime in Hong Kong, 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% for the six months ended 30 September 2024 and 2023.

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 had been made as the Group has sufficient tax losses brought forward to set off the current period's assessable profit.

No provision for PRC Enterprise Income Tax had been made as the Group had no assessable profit for the period ended 30 September 2024 and 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

12. DIVIDEND

The Board does not recommend the payment of dividends for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

13. EARNINGS/(LOSS) PER SHARE

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

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Earnings/(loss) Earnings/(loss) for the purpose of calculating basic earnings/(loss) per share	2,177	(9,188)

	Six months ended 30 September	
	'000 (Unaudited)	'000 (Unaudited)
Number of shares Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	400,000	400,000

No diluted earnings/(loss) per share was presented as there was no potential dilutive shares outstanding during the six months ended 30 September 2024 and 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired property, plant and equipment of approximately HK\$13,000 (six months ended 30 September 2023: HK\$8,734,000).

15. TRADE RECEIVABLES

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Trade receivables	21,721	10,048
Less: allowance for credit losses	(500)	(291)
	21,221	9,757

The following is an aged analysis of trade receivables, presented based on the invoice dates (or date of revenue recognition, if earlier) and net of allowance for doubtful debts:

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
1-30 days	9,329	3,955
31-60 days	2,076	2,271
61-90 days	4	59
Over 90 days	9,812	3,472
	21,221	9,757

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

15. TRADE RECEIVABLES (continued)

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

The Group allows credit period up to 90 days (31 March 2024: 90 days) to its customers.

16. DEPOSITS PAID, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Unaudited)
Trade deposits paid	7,241	7,465
Prepayment	1,090	320
Other deposit paid	728	667
Other receivables	344	229
	9,403	8,681

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

17. AMOUNTS DUE FROM RELATED COMPANIES

The related companies are controlled by Mr. Leung and Ms. Tam, who are the controlling shareholders and executive directors of the Company or controlled by Ms. Tam Suk Ching, a close family member of Ms. Tam.

During the period ended 30 September 2024, the maximum amounts due from related companies are approximately HK\$3,470,000 (31 March 2024: HK\$3,333,000).

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

18. AMOUNTS DUE FROM RELATED PARTY

The balance represents the amount receivable of HK\$2,437,000 (31 March 2024: HK\$2,437,000) from a daughter of Mr. Leung and Ms. Tam (note 20(ii)).

During the period ended 30 September 2024, the maximum amount due from related party is approximately HK\$2,437,000 (31 March 2024: HK\$2,500,000).

The balance is non-trade in nature, interest-free and repayable on demand.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19. TRADE PAYABLES

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

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
0-30 days	7,412	2,670
31-60 days	5,434	1,467
61-90 days	703	1,692
Over 90 days	2,991	1,478
	16,540	7,307

The trade payables are non interest-bearing and are generally settled on 30 days (31 March 2024: 30 days) terms.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

20. BANK BORROWINGS

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Bank borrowings		
– Secured (note i and ii)	18,722	19,936
– Unsecured (note iii)	3,947	4,622
	22,669	24,558

Notes:

- (i) The secured borrowings consist of a revolving loan of HK\$7,000,000 bear interest at variable interest rate range from 7.30% to 7.82% per annum was guaranteed by Mr. Leung, Ms. Tam and HKMC Insurance Limited and pledged bank deposit of HK\$1,400,000.
- (ii) The secured borrowings consist of an outstanding balance of bank borrowings of approximately HK\$7,723,000 which include (i) an instalment loan with principal amount of HK\$5,890,000 in relation to a property (“**Property A**”) owned by the Group which bearing variable interest rate at range from 3.38% to 3.63% per annum and is secured by the collateral of Property A and (ii) an instalment loan with principal amount of HK\$2,500,000 in relation to a property (“**Property B**”) owned by Ms. Leung (note 18) which bearing variable interest rate at range from 3.38% to 3.63% per annum and is secured by the collateral of Property B.
- The secured borrowings consist of a revolving loan of HK\$5,000,000 bear interest at variable interest rate range from 3.88% to 4.13% per annum was guaranteed by Mr. Leung, Property A and Property B.
- The Group also obtained a banking facility of HK\$12,000,000 with the guarantee made by Mr. Leung and secured by the collateral of Property A and Property B. As at 30 September 2024, unutilised banking facility available for draw down amounted to HK\$7,000,000.
- (iii) The unsecured bank borrowings were guaranteed by Mr. Leung, Ms. Tam and the HKMC Insurance Limited under the Small and Medium Enterprise Guarantee Scheme as at 30 September 2024 and 31 March 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

20. BANK BORROWINGS (continued)

	As at 30 September 2024 HK\$'000 (Unaudited)	As at 31 March 2024 HK\$'000 (Audited)
Within one year	12,642	13,796
Within a period of more than one year but not exceeding two years	947	1,226
Within a period of more than two years but not exceeding five years	2,798	2,745
Within a period of more than five years	6,282	6,791
	22,669	24,558
Less: Amounts classified as current liabilities – carrying amounts of borrowings due within one year or contain a repayment on demand clause	(22,669)	(24,558)
Amounts classified as non-current liabilities	–	–

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

21. SHARE CAPITAL

	Number of shares '000	Carrying amount HK'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2024 (Audited) and 30 September 2024 (Unaudited)	10,000,000	100,000
Issued and fully paid:		
At 31 March 2024 (Audited) and 30 September 2024 (Unaudited)	400,000	4,000

22. CONTINGENT LIABILITIES

At 30 September 2024, the Group did not have any contingent liabilities (31 March 2024: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

23. MATERIAL RELATED PARTY TRANSACTIONS

(a) Related party transactions

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

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Rental expense to Joint Linker Investment Limited (note i)	–	1,200
Handling expenses to Joyful Harvest Corporation Limited (note ii)	504	–
Handling expenses to Rich Charm Corporation Limited (note iii)	–	332

Notes:

- (i) The related company is controlled by Ms. Tam, who is the controlling shareholder and executive director of the Company.
- (ii) The related company is controlled by Ms. Tam Suk Ching and Ms. Tam Wai Yee, a close family member of Ms. Tam.
- (iii) The related company is controlled by Ms. Tam Suk Ching, a close family member of Ms. Tam.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

23. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Short term employee benefits	3,779	4,981
Post-employment benefits	54	63
	3,833	5,044

(c) Outstanding balances with related companies / related party

Details of the balances with related companies / related party are disclosed in note 17 and note 18 to the unaudited condensed consolidated financial statements.

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., 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.

All the Group's products are manufactured in accordance with the specifications and requirements provided by the Group's customers. The Group propose 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.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group recorded revenue of approximately HK\$90.2 million for the six months ended 30 September 2024, representing an increase of approximately 56.0% as compared to the amount of approximately HK\$57.8 million for the six months ended 30 September 2023.

The Group's gross profit increased from approximately HK\$13.8 million for the six months ended 30 September 2023 to approximately HK\$20.7 million for the six months ended 30 September 2024. The overall gross profit margin decreased from 23.9% for the six months ended 30 September 2023 to approximately 23.0% for the six months ended 30 September 2024.

The Group's profit attributable to owners of the Company of approximately HK\$2.2 million for the six months ended 30 September 2024 as compared to the loss attributable to owners of the Company of HK\$9.2 million for the six months ended 30 September 2023. Such turnaround was mainly attributable to (i) increase sales volume and average selling price and result in increase in revenue and gross profit; (ii) significant decrease in impairment loss recognised in respect of trade receivables and deposits and other receivables in relation to a customer who has filed for bankruptcy protection under Chapter 7 of the U.S. Bankruptcy Code on 24 October 2023 and full provision of impairment was provided for the six months ended 30 September 2023 and no such significant impairment was provided for the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue was mainly derived from the sales of its key apparel products, such as jackets, woven shirts, pullovers, pants, shorts, T-shirts and other products, including bathrobe, dress, vest and accessories such as cap, beanie and gloves, through the provision of apparel SCM services to our customers. For the six months ended 30 September 2024, the Group recorded an unaudited revenue of approximately HK\$90.2 million, representing an increase of approximately 56.0% comparing with that of approximately HK\$57.8 million for the six months ended 30 September 2023. The significant increase in revenue was mainly due to increase in sales volume and increase in average selling price.

The following table sets out a breakdown of the Group's unaudited revenue by product categories for the six months ended 30 September 2024 and 2023:

Product category	Six months ended 30 September			
	2024		2023	
	HK\$'000 (Unaudited)	% (Unaudited)	HK\$'000 (Unaudited)	% (Unaudited)
Jackets	27,941	31.0	9,899	17.1
Woven shirts	12,427	13.8	12,288	21.2
Pullovers	12,573	13.9	9,628	16.6
Pants and shorts	18,389	20.4	11,413	19.7
T-shirts	6,123	6.8	5,832	10.1
Other products (note)	12,762	14.1	8,773	15.3
	90,215	100.0	57,833	100.0

Note: Other products include, for example, bathrobe, dress, vest and accessories such as cap, beanie and gloves.

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 September 2024, the sales volume of the Group amounted to 645,530 units of finished products as compared to 489,908 units for the six months ended 30 September 2023. Set out below are the total sales quantities of each product category for each of the six months ended 30 September 2024 and 2023:

Product category	Six months ended 30 September			
	2024		2023	
	Unit sold (Unaudited)	% (Unaudited)	Unit sold (Unaudited)	% (Unaudited)
Jackets	124,773	19.4	43,131	8.8
Woven shirts	82,969	12.9	88,504	18.1
Pullovers	82,735	12.8	71,962	14.7
Pants and shorts	141,394	21.9	101,030	20.6
T-shirts	100,378	15.5	91,559	18.7
Other products (note)	113,281	17.5	93,722	19.1
	645,530	100.0	489,908	100.0

Note: Other products include, for example, bathrobe, dress, vest and accessories such as cap, beanie and gloves.

MANAGEMENT DISCUSSION AND ANALYSIS

The selling price of each of the product categories depends primarily on, among other things, purchase cost, our expected profit margin as well as overhead expenses. Accordingly, the selling price of our products may differ considerably in different purchase orders by different customers. Set out below is the average selling price per unit of finished product sold to our customers for each product category for the six months ended 30 September 2024 and 2023:

Product category	Six months ended 30 September		
	2024 Average selling price (Note i) HK\$ (Unaudited)	2023 Average selling price (Note i) HK\$ (Unaudited)	Rate of change % (Unaudited)
Jackets	223.9	229.5	(2.4)
Woven shirts	149.8	138.8	7.9
Pullovers	152.0	133.8	13.6
Pants and shorts	130.1	113.0	15.1
T-shirts	61.0	63.7	(4.2)
Other products (note ii)	112.7	93.6	20.4
Overall	139.8	118.0	18.4

Notes:

- (i) The average selling price represents the revenue for the period divided by the total sales quantities for the period.
- (ii) Other products include, for example, bathrobe, dress, vest and accessories such as cap, beanie and gloves.

MANAGEMENT DISCUSSION AND ANALYSIS

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 from approximately HK\$44.0 million for the six months ended 30 September 2023 to approximately HK\$69.5 million for the six months ended 30 September 2024.

Gross profit and gross profit margin

The Group's gross profit increase by approximately 49.6% from approximately HK\$13.8 million for the six months ended 30 September 2023 to approximately HK\$20.7 million for the six months ended 30 September 2024. The Group's gross profit margin decreased from approximately 23.9% for the six months ended 30 September 2023 to approximately 23.0% for the six months ended 30 September 2024. The increase in the gross profit was mainly attributable to the increase in sales volume and increase in average selling price.

Other income

Other income mainly consists of (i) bank interest income and (ii) sundry income. The Group's other income increased from approximately HK\$85,000 for the six months ended 30 September 2023 to approximately HK\$590,000 for the six months ended 30 September 2024. Such increase was mainly due to increase in sundry income.

Other gains and losses, net

Other gains and losses consist of (i) net foreign exchange gains/(losses), (ii) impairment loss recognised in respect of trade receivables; (iii) bad debts recovered; and (iv) impairment loss recognised in respect of deposits and other receivables. The Group's recorded other gains to approximately HK\$299,000 for the six months ended 30 September 2024 as compared with other losses to approximately HK\$3.3 million for the six months ended 30 September 2023. Such turnarounds mainly attributable to (i) decrease in impairment loss recognised in respect of trade receivables and (ii) significant decrease in impairment loss recognised in respect of trade receivables and deposits and other receivables in relation to a customer who has filed for bankruptcy protection under Chapter 7 of the U.S. Bankruptcy Code on 24 October 2023 and full provision of impairment was provided for the six months ended 30 September 2023 and no such significant impairment was provided for the six months ended 30 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and distribution expenses

Selling and distribution expenses mainly consist of (i) marketing expenses and (ii) salaries and mandatory provident fund for merchandising staff. Selling and distribution expenses increased by approximately 15.0% from approximately HK\$4.9 million for the six months ended 30 September 2023 to approximately HK\$5.6 million for the six months ended 30 September 2024. Such increase was mainly attributable to the salary increment for merchandising staff.

Administrative expenses

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

Administrative expenses increased from approximately HK\$13.0 million for the six months ended 30 September 2023 to approximately HK\$13.5 million for the six months ended 30 September 2024, representing an increase of approximately 3.7%. Such increase was mainly attributable to the salary increment for existing administrative staff.

Finance costs

Finance costs mainly consist of (i) bank borrowings and (ii) lease liabilities.

The Group's finance costs increased from approximately HK\$0.5 million for the six months ended 30 September 2023 to approximately HK\$0.7 million for the six months ended 30 September 2024. Such increase was mainly attributable to the increase in bank borrowings taken out by the Group to finance daily operations.

Income tax credit/(expense)

Income tax expense of the Group for the six months ended 30 September 2023 was approximately HK\$1.4 million as compared with income tax credit of approximately HK\$269,000 for the six months ended 30 September 2024. The change was mainly attributable to the change from deferred tax expense to deferred tax credit.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit/(loss) attributable to owners of the Company

As a result of the foregoing, the Group's profit attributable to owners of the Company of approximately HK\$2.2 million for the six months ended 30 September 2024, as compared to loss attributable to owners of the Company was approximately HK\$9.2 million for the six months ended 30 September 2023.

DIVIDEND

The Board do not recommend the payment of dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 September 2024, the Group's operations were mainly financed through internally generated cash flows and borrowings from banks. As at 30 September 2024, the Group had net current liabilities of approximately HK\$4.4 million (31 March 2024: approximately HK\$7.1 million), including cash and cash equivalent of approximately HK\$5.5 million (31 March 2024: approximately HK\$10.2 million) and pledged bank deposits of HK\$1.4 million (31 March 2024: HK\$1.4 million), respectively. The Group's current ratio were approximately 0.9 times as at 30 September 2024 (31 March 2024: approximately 0.8 times).

GEARING RATIO

The gearing ratio, which is calculated based on the total debts (include lease liabilities and bank borrowings) divided by total equity. As at 30 September 2024, the Group's gearing ratio was approximately 131.0% (31 March 2024: approximately 157.9%).

PLEDGE OF ASSETS

As at 30 September 2024, the bank borrowings of the Group were secured by a building with a carrying value of approximately HK\$14.8 million (31 March 2024: approximately HK\$15.0 million) and bank deposit of HK\$1.4 million (31 March 2024: HK\$1.4 million).

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

The Group operates in Hong Kong with majority of the transactions being settled in Hong Kong dollars (“**HK\$**”), United States dollars (“**US\$**”) and Renminbi (“**RMB**”). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The Group is not exposed to foreign exchange risk in respect of HK\$ against the US\$ as long as they are pegged.

The Group currently does not have a foreign currency hedging policy in respect of assets and liabilities denominated in foreign currency. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign exchange exposure, if necessary.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- (i) the Group is exposed to credit risks of our customers;
- (ii) the Group relies on several major customers and does not enter into long-term contracts with the customers. Any disruption in the business relationships with the Group’s major customers may materially and adversely affect the business, prospects, financial condition and results of operations;
- (iii) the Group is subject to intense competition from competitors engaging South and Southeast Asian manufacturers, and if the Group fails to compete successfully against the competitors, the profitability and financial performance may be adversely affected;
- (iv) risks relating to the Group’s business operations involving the U.S., French and Australian customers;
- (v) the Group is dependent on third parties for the production of apparel products, any disruption in the relationships with our suppliers or their operations could adversely affect our business;

MANAGEMENT DISCUSSION AND ANALYSIS

- (vi) most of our suppliers are located in the PRC and any major adverse changes to the economic, political and social conditions of the PRC may adversely affect our business and results of operations;
- (vii) most of the Group's products sold to U.S. are manufactured in the PRC, such that the PRC-U.S. trade dispute may have a material and adverse effect on our business, financial conditions and results of operations;
- (viii) any failure to maintain an effective quality control system will have a material and adverse effect on our business, financial conditions and results of operations; and
- (ix) the slow economic recovery from global outbreak of COVID-19 may bring adverse impact on our business operations involving in the U.S., French and Australia customers.

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

TREASURY POLICIES

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

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on 16 April 2018. There has been no change in the capital structure of the Company since then. The share capital of the Group only comprises ordinary shares.

As at 30 September 2024, the Company's issued share capital was HK\$4,000,000 and the number of its issued ordinary shares was 400,000,000 of HK\$0.01 each.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 September 2024, the Group did not have any significant investments, material acquisitions nor disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2024, the Group did not have any plans for material investments and capital assets (31 March 2024: Nil).

CAPITAL COMMITMENTS

As at 30 September 2024, the Group did not have any significant capital commitments (31 March 2024: Nil).

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 30 September 2024 (31 March 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed a total of 44 full-time employees (30 September 2023: 40 full-time employees). The Group's staff costs mainly included Directors' remuneration, salaries, other staff benefits and contributions to retirement schemes. For the six months ended 30 September 2024, the Group's total staff costs (including Directors' remuneration) amounted to approximately HK\$11.6 million (30 September 2023: approximately HK\$10.4 million). Remuneration is determined with reference to the prevailing market terms and the performance, qualification, experience, position and seniority of individual employee.

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

FUTURE PROSPECTS

The Group had put much resources in developing sustainability products over years, nowadays the Group had strong procurement team focused in this area and gained much confidence in our customers, which then becomes one of our driving engine. Although there will have many uncertainties in the coming economy, especially in the U.S. market, and the consumption preferences of the consumers are constantly changing, the Group still believes our revenue still will have room to grow.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 September 2024, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (a) 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 in which they were taken or deemed to have taken 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) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

Long position in Shares

Name of Director	Capacity/ nature of interest	Number of interested Shares	Approximate percentage of the shareholding in the Company
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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 September 2024, 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 Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken 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) pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules relating to securities transaction by Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2024, so far as the Directors are aware, the following persons (other than the Directors and chief executive of the Company), had, or were deemed to have, interests or a short positions in the Shares or the underlying Shares, which would fall to be disclosed to the Company the Stock Exchange under the provisions of 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	Approximate percentage shareholding in the Company
Giant Treasure	Beneficial owner	280,000,000 (Note)	70%

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 September 2024, no person, other than the Directors and chief executive of the Company whose interests or are set out in the section headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company” above, had notified the Company of an interest or short position in the Shares, underlying Shares or debenture of the Company that was 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.

DIRECTORS’ RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 September 2024 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 six months ended 30 September 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

COMPETING INTEREST AND DEED OF NON-COMPETITION

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.

Save as aforesaid, as of the date of this interim report, 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 the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Model Code**"). The Company had also made specific enquiries to all the Directors and the Company was not aware of any non-compliance with the Model Code by the Directors during the six months ended 30 September 2024 and up to the date of this interim report.

COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

The Board has adopted and complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 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 interim report, except the deviation from provision C.2.1 of the CG Code.

Pursuant to code provision C.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 C.2.1 of the CG Code is appropriate in such circumstance.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event subsequent to 30 September 2024 which would materially affect the Group's operating and financial performance.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

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

The Audit Committee had reviewed this interim report and the unaudited condensed consolidated results of the Company for the six months ended 30 September 2024, 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, 22 November 2024

As at the date of this interim 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.