

Icicle Group Holdings Limited

冰雪集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8429



ICICLE

2021

INTERIM REPORT

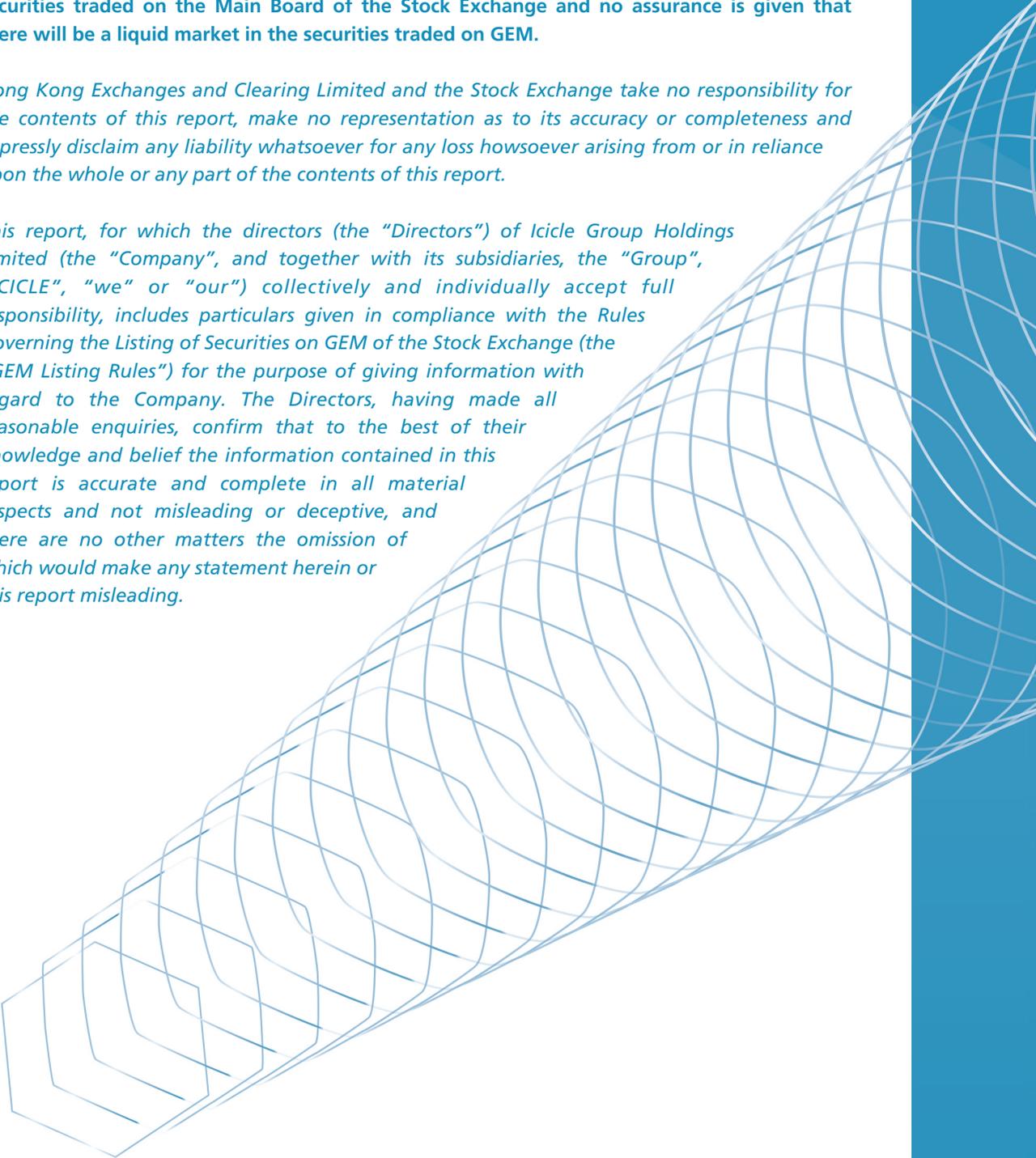
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This report, for which the directors (the "Directors") of Icicle Group Holdings Limited (the "Company", and together with its subsidiaries, the "Group", "ICICLE", "we" or "our") collectively and individually accept full responsibility, includes particulars 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Ms. Woo Chan Tak Chi Bonnie
(*Chairperson and Chief Executive Officer*)

Non-executive Director

Mr. Chow Sai Yiu Evan

Independent non-executive Directors

Mr. Ip Arnold Tin Chee
Mr. Hung Alan Hing Lun
Mr. Man Ka Ho Donald

COMPLIANCE OFFICER

Ms. Woo Chan Tak Chi Bonnie

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COMPANY SECRETARY

Ms. Tsui Sum Yi

AUTHORISED REPRESENTATIVES

Ms. Woo Chan Tak Chi Bonnie
Ms. Tsui Sum Yi

AUDIT COMMITTEE

Mr. Ip Arnold Tin Chee (*Chairman*)
Mr. Hung Alan Hing Lun
Mr. Man Ka Ho Donald

REMUNERATION COMMITTEE

Mr. Hung Alan Hing Lun (*Chairman*)
Mr. Ip Arnold Tin Chee
Mr. Man Ka Ho Donald
Ms. Woo Chan Tak Chi Bonnie

NOMINATION COMMITTEE

Mr. Man Ka Ho Donald (*Chairman*)
Mr. Ip Arnold Tin Chee
Mr. Hung Alan Hing Lun
Ms. Woo Chan Tak Chi Bonnie

AUDITOR

Moore Stephens CPA Limited
Registered Public Interest Entity Auditor
801–806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

REGISTERED OFFICE

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 9th Floor
Safety Godown Industrial Building
56 Ka Yip Street
Chai Wan
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

CORPORATE INFORMATION (CONTINUED)

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
16th Floor, The Center
99 Queen's Road Central
Central, Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

STOCK CODE

8429

COMPANY WEBSITE

www.iclegroup.com

UNAUDITED INTERIM RESULTS

The board of Directors (the "Board") of the Company is pleased to present the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2021 (the "Unaudited Condensed Consolidated Financial Statements"), together with the unaudited comparative figures for the corresponding periods in 2020 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2021

	Notes	Three months ended 30 June		Six months ended 30 June	
		2021	2020	2021	2020
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	11,545	11,687	24,221	23,526
Other income and gains	4	590	296	821	611
Oursourced project costs		(4,178)	(3,938)	(8,047)	(8,289)
Materials and consumables		(1,877)	(1,043)	(3,570)	(1,850)
Depreciation and amortisation expenses		(1,315)	(1,576)	(3,342)	(3,305)
Employee benefits expenses		(5,230)	(2,557)	(8,914)	(6,122)
Rental expenses		(337)	(436)	(653)	(878)
Transportation fee		(1,200)	(2,082)	(2,854)	(3,913)
Other operating expenses		(2,369)	(1,572)	(4,844)	(3,205)
Finance cost		(110)	(96)	(220)	(197)
Loss before income tax	5	(4,481)	(1,317)	(7,402)	(3,622)
Income tax expense	6	(85)	—	(85)	—
Loss for the period		(4,566)	(1,317)	(7,487)	(3,622)
Attributable to:					
Owners of the Company		(3,738)	(882)	(6,117)	(2,867)
Non-controlling interests		(828)	(435)	(1,370)	(755)
Loss for the period		(4,566)	(1,317)	(7,487)	(3,622)
Loss per share attributable to the owners of the Company	8				
Basic and diluted (HK cents)		(0.78)	(0.18)	(1.27)	(0.60)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the three months and six months ended 30 June 2021

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Loss for the period	(4,566)	(1,317)	(7,487)	(3,622)
Other comprehensive income/(expense): <i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	25	—	16	(20)
Other comprehensive income/(expense) for the period, net of income tax	25	—	16	(20)
Total comprehensive expense for the period	(4,541)	(1,317)	(7,471)	(3,642)
Attributable to:				
Owners of the Company	(3,713)	(882)	(6,099)	(2,889)
Non-controlling interests	(828)	(435)	(1,372)	(753)
Total comprehensive expense for the period	(4,541)	(1,317)	(7,471)	(3,642)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	Notes	At 30 June 2021 HK\$'000 (unaudited)	At 31 December 2020 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	4,189	3,003
Right-of-use assets		8,367	5,926
Intangible assets		535	606
Goodwill		—	—
Financial asset at fair value through profit or loss		841	841
Deposit and prepayment	10	472	383
		14,404	10,759
Current assets			
Inventories		558	562
Trade and other receivables, deposits and prepayments	10	9,796	17,836
Amount due from controlling shareholder	11	—	23
Amount due from a related company	11	40	12
Time deposits and cash and bank balances		68,304	69,106
		78,698	87,539
Current liabilities			
Trade and other payables and accruals	12	7,858	7,853
Contract liabilities	12	2,838	2,878
Amount due to a non-controlling shareholder of a subsidiary	11	56	56
Tax payable		1,001	980
Lease liabilities		3,487	2,979
		15,240	14,746
Net current assets		63,458	72,793
Total assets less current liabilities		77,862	83,552
Non-current liability			
Lease liabilities		5,205	3,424
Net assets		72,657	80,128
CAPITAL AND RESERVES			
Share capital	13	4,800	4,800
Reserves		72,229	78,328
Total equity attributable to owners of the Company		77,029	83,128
Non-controlling interests		(4,372)	(3,000)
Total equity		72,657	80,128

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Operating activities		
Cash generated from operations	3,787	7,109
Income tax (paid)/refunded	(72)	872
Net cash generated from operating activities	3,715	7,981
Investing activities		
Acquisition of property, plant and equipment	(1,915)	(73)
Purchase of financial assets at fair value through profit or loss	—	(165)
Decrease/(increase) in time deposits with original maturity of more than three months	49,306	(10,860)
Other cash flows arising from investing activities	293	129
Net cash generated from/(used in) investing activities	47,684	(10,969)
Financing activities		
Principal elements of lease payments	(2,700)	(2,834)
Interest elements of lease payments	(220)	(197)
Other cash flows arising from financing activities	—	(281)
Net cash used in financing activities	(2,920)	(3,312)
Increase/(decrease) in cash and cash equivalents	48,479	(6,300)
Effect of foreign exchange rate changes	25	(23)
Cash and cash equivalents at beginning of the period	13,205	22,096
Cash and cash equivalents at end of the period	61,709	15,773
Analysis of cash and cash equivalents		
Cash and bank balances	61,709	15,773
Time deposits	6,595	59,950
Time deposits and cash and bank balances stated in the condensed consolidated statement of financial position	68,304	75,723
Less: Time deposits with original maturity of more than three months	(6,595)	(59,950)
Cash and cash equivalents in the condensed consolidated statement of cash flows	61,709	15,773

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Equity attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Translation reserve	Other reserve	Retained earnings	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2021 (audited)	4,800	53,131	11,993	(694)	97	13,801	83,128	(3,000)	80,128
Loss for the period	—	—	—	—	—	(6,117)	(6,117)	(1,370)	(7,487)
Other comprehensive income/(expense): Exchange differences arising on translation of foreign operations	—	—	—	18	—	—	18	(2)	16
Total comprehensive income/(expense) for the period	—	—	—	18	—	(6,117)	(6,099)	(1,372)	(7,471)
As at 30 June 2021 (unaudited)	4,800	53,131	11,993	(676)	97	7,684	77,029	(4,372)	72,657
As at 1 January 2020 (audited)	4,800	53,131	11,993	(877)	7	14,511	83,565	(666)	82,899
Loss for the period	—	—	—	—	—	(2,867)	(2,867)	(755)	(3,622)
Other comprehensive (expense)/income: Exchange differences arising on translation of foreign operations	—	—	—	(22)	—	—	(22)	2	(20)
Total comprehensive expense for the period	—	—	—	(22)	—	(2,867)	(2,889)	(753)	(3,642)
As at 30 June 2020 (unaudited)	4,800	53,131	11,993	(899)	7	11,644	80,676	(1,419)	79,257

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law Chapter 22 of the Cayman Islands on 20 January 2017. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY-1108, Cayman Islands. The shares of the Company (the "Shares") are listed on GEM of the Stock Exchange since 8 December 2017 (the "Listing Date") by way of share offer of 120,000,000 new Shares ("Share Offer") at an offer price of HK\$0.55 per Share. The Company's principal place of business was located at Unit 4, 12/F., 18 King Wah Road, North Point, Hong Kong. On 1 March 2021, the Company's principal place of business was changed to Unit B, 9th Floor, Safety Godown Industrial Building, 56 Ka Yip Street, Chai Wan, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are provision of marketing production services, e-commerce and retail business and operation of a café.

2. BASIS OF PREPARATION AND PRESENTATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020.

The accounting policies adopted in the preparation of the Unaudited Condensed Consolidated Financial Statements are same as those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2020, except for the new and revised HKFRSs and interpretations issued by HKICPA that are first effective for the current accounting period of the Company. There has been no significant change to the accounting policy applied in these Unaudited Condensed Consolidated Financial Statements for the period presented as a result of adoption of these amendments.

The preparation of the Unaudited Condensed Consolidated Financial Statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise their judgements in the process of applying the Group's accounting policies. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended 31 December 2020.

The Unaudited Condensed Consolidated Financial Statements have been prepared on historical cost basis, except for financial asset at fair value through profit or loss that are measured at fair value at the end of each reporting period. The Unaudited Condensed Consolidated Financial Statements are presented in Hong Kong dollar ("HK\$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

The Unaudited Condensed Consolidated Financial Statements have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee (the "Audit Committee").

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

3. REVENUE AND SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive director of the Company, who is the chief operating decision maker, in order to allocate resources and assess performance of the segment. During the period, the executive director of the Company regularly reviewed the consolidated financial position, revenue from provision of marketing production services, e-commerce and retail business and operation of a café and results of the Group as a whole for the purposes of allocating resources and assessing performance of the Group as a whole.

Therefore, the executive director of the Company considers the Group as one single operating segment during the period that comprises of four service categories, which are (a) physical marketing production; (b) digital marketing production; (c) e-commerce and retail; and (d) operation of a café. The following table sets forth the breakdown of the Group's revenue by service category during the period.

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue recognised at a point in time:		
Physical marketing production	19,841	21,296
Digital marketing production	1,933	2,146
E-commerce and retail	1,554	84
Income from operation of a café	893	—
	24,221	23,526

Geographical information

The Company is an investment holding company and the principal place of the Group's operation is mainly in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its country of domicile.

As at 30 June 2021 and 31 December 2020, non-current assets are mainly located in Hong Kong.

Revenue by geographical location of customers, which is based on the principal place of the customers' operation, is set out below:

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Hong Kong	23,371	22,914
The People's Republic of China (the "PRC")	782	340
Others	68	272
	24,221	23,526

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

3. REVENUE AND SEGMENT INFORMATION (Continued)

Information about major customers

The Group had transactions with the following customers, which contributed more than 10% of the Group's revenue for the period:

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Customer A	6,804	7,702
Customer B	7,380	8,034

4. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains for the periods is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest income	165	295	294	602
Government subsidies	—	—	100	—
Sundry income	425	1	427	9
	590	296	821	611

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Amortisation of intangible assets	35	27	71	43
Auditor's remuneration				
— Audit services	120	9	210	9
Cost of inventories sold	781	28	1,211	49
Depreciation of property, plant and equipment	400	240	721	553
Depreciation of right-of-use assets	880	1,309	2,549	2,709
Variable lease payments not included in the measurement of lease liabilities	4	2	24	38
Net exchange (gain)/loss	(405)	(14)	(94)	122
Employee benefits expenses (including directors' remuneration)				
— Salaries, allowances and benefits in kind	5,027	2,441	8,577	5,859
— Retirement benefit scheme contributions	203	116	337	263
	5,230	2,557	8,914	6,122

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

6. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Income tax expense comprises:				
Hong Kong Profits Tax				
— current tax for the period	63	—	63	—
The PRC Enterprise Income Tax (the "EIT")				
— current tax for the period	22	—	22	—
Income tax expense	85	—	85	—

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax under these jurisdictions during the period (2020: Nil).

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% (2020: 8.25%) during the period, and profits above HK\$2,000,000 will be taxed at 16.5% (2020: 16.5%). The profits of group entities not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5% (2020: 16.5%) during the period.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% of the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated profits above HK\$2,000,000, taking into account the tax concession granted by the Hong Kong Special Administrative Region Government during the period.

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits for the six months ended 30 June 2020.

Under the EIT Law and the Implementation Regulation of the EIT Law, the subsidiary in the PRC is subject to the tax rate of 25% on the estimated assessable profits during the period.

No provision for EIT has been made for the subsidiary established in the PRC as the subsidiary did not have any assessable profits subject to EIT in the PRC for the six months ended 30 June 2020.

No provision for the corporate income tax has been made for the subsidiary incorporated in the United States (the "US") as the subsidiary did not generate any assessable profits in the US during the periods.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

6. INCOME TAX EXPENSE (Continued)

Pursuant to the EIT Law, 5% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise's profits earned after 1 January 2008. As at 30 June 2021, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiary amounted to approximately HK\$2,585,000 (30 June 2020: HK\$1,440,000). Deferred tax liabilities of approximately HK\$129,000 (30 June 2020: HK\$72,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company is in a position to control the dividend policy of the PRC subsidiary and it has been determined that it is probable that undistributed profits of the PRC subsidiary will not be distributed in the foreseeable future.

7. DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 June 2021 (30 June 2020: Nil).

8. LOSS PER SHARE

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

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Loss attributable to owners of the Company	(3,738)	(882)	(6,117)	(2,867)
	2021 '000	2020 '000	2021 '000	2020 '000
Number of Shares: Weighted average number of ordinary Shares	480,000	480,000	480,000	480,000
	HK cents	HK cents	HK cents	HK cents
Basic and diluted loss per Share	(0.78)	(0.18)	(1.27)	(0.60)

Diluted loss per Share were same as the basic loss per Share as there were no dilutive potential ordinary Shares in existence during the periods.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2021, the Group acquired property, plant and equipment with an aggregate cost of approximately HK\$1,915,000 (30 June 2020: HK\$73,000).

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2021 HK\$'000 (unaudited)	At 31 December 2020 HK\$'000 (audited)
Trade receivables	8,014	13,841
Rental and other deposits	786	2,122
Prepayments	1,016	1,186
Other receivables	452	1,070
Total trade and other receivables, deposits and prepayments	10,268	18,219
Less:		
Non-current rental deposit	(472)	(174)
Non-current prepayment for intangible asset	—	(209)
Total non-current deposit and prepayment	(472)	(383)
Total current trade and other receivables, deposits and prepayments	9,796	17,836

The credit period for trade receivables granted to its customers is generally ranging from 30 to 60 days (31 December 2020: 30 to 60 days) from the date of billing for the period.

The ageing analysis of the trade receivables, net of allowance for expected credit losses ("ECLs"), based on invoice date is as follows:

	At 30 June 2021 HK\$'000 (unaudited)	At 31 December 2020 HK\$'000 (audited)
Within 1 month	2,909	6,674
Over 1 month but less than 3 months	3,333	5,110
Over 3 months but less than 1 year	1,938	2,223
Over 1 year	87	87
Less: allowance for ECLs	(253)	(253)
Total	8,014	13,841

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

11. AMOUNTS DUE FROM/(TO) CONTROLLING SHAREHOLDER, RELATED COMPANIES AND A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

The amount due from a related company represent the balances with Explorer Vantage Limited (“Explorer Vantage”), the ultimate holding company. The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand.

The amount due from controlling shareholder, who is Ms. Woo Chan Tak Chi Bonnie (“Ms. Bonnie Chan Woo”), an executive director of the Company, is non-trade in nature, unsecured, interest-free and repayable on demand. Pursuant to Section 383 of the Hong Kong Companies Ordinance and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G), the maximum amount of an amount due from Ms. Bonnie Chan Woo outstanding during the period amounted to approximately HK\$28,000 (31 December 2020: HK\$23,000).

The amount due to a non-controlling shareholder of a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

12. TRADE AND OTHER PAYABLES AND ACCRUALS

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	At 30 June 2021 HK\$'000 (unaudited)	At 31 December 2020 HK\$'000 (audited)
Trade payables	4,484	4,508
Accruals	1,760	1,370
Other payables	1,614	1,975
Total trade and other payables and accruals	7,858	7,853
Contract liabilities	2,838	2,878
	10,696	10,731

The credit period granted by suppliers of the Group is generally ranging from 30 to 90 days (31 December 2020: 30 to 90 days) for the period. The ageing analysis of the trade payables based on invoice date is as follows:

	At 30 June 2021 HK\$'000 (unaudited)	At 31 December 2020 HK\$'000 (audited)
Within 1 month	3,611	3,195
Over 1 month but less than 3 months	681	1,123
Over 3 months but less than 1 year	192	190
	4,484	4,508

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

13. SHARE CAPITAL

	Number of Shares	Share capital HK\$'000
Ordinary Shares of HK\$0.01 each		
Authorised:		
At 31 December 2020 (audited) and 30 June 2021 (unaudited)	1,000,000,000	10,000
Issued and fully paid:		
At 31 December 2020 (audited) and 30 June 2021 (unaudited)	480,000,000	4,800

14. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group has the following transactions with its related parties in the normal course of its business and mutually agreed between both parties:

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue from provision of marketing production services to MCL Financial Group Limited (Note (a))	—	8
Revenue from sales of accessories and lifestyle products to Ms. Bonnie Chan Woo (Note (b))	4	—
Short-term lease expense to 4L 108 Leonard LLC (Note (c))	559	—
Repayment of lease liabilities (including capital and interest elements) to Gateway Engineering Limited (Note (d))	348	—

Notes:

- (a) Mr. Chow Sai Yiu Evan ("Mr. Evan Chow"), a non-executive director of the Company, is the controlling shareholder and the beneficial owner of this related company.
- (b) Ms. Bonnie Chan Woo is an executive director and the ultimate controlling shareholder of the Company.
- (c) Spouse of Ms. Bonnie Chan Woo, an executive director of the Company, and Ms. Bonnie Chan Woo, are the beneficial owners of this related company.
- (d) Spouse of Ms. Bonnie Chan Woo, is a director and one of the beneficial owners of this related company. The leased properties are recognised as right-of-use assets with net carrying amount of HK\$1,242,000 (31 December 2020: HK\$1,529,000), with respective lease liabilities of HK\$1,318,000 (31 December 2020: HK\$1,631,000) as at 30 June 2021.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

14. RELATED PARTY TRANSACTIONS (Continued)

Compensation of key management personnel

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the directors of the Company. Key management personnel remuneration are as follows:

	Six months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Directors' fee	180	180
Salaries, allowances and benefits in kind	2,836	1,954
Retirement benefit scheme contributions	77	69
	3,093	2,203

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The COVID-19 pandemic has continued to impact on the Hong Kong economy, though there has been some recovery in this second quarter as the COVID-19 situation has become stable, the economic recovery was uneven among different industries and overall economic activity remained below the pre-recession level. The recovery of the retail market in Hong Kong is still slow which is largely affected by the border restrictions remaining in place. Our international and local brand clients were still cautious in their marketing spend and kept on view on the recovery of consumer activities and therefore the client demand from us remained weak in the first half of 2021. Revenue from marketing production services for the six months ended 30 June 2021 decreased slightly by 7% as compared with the same period last year.

The Group's expanded its e-commerce start-up business, WMNBSS, in Sham Shui Po, Hong Kong, ("WMNBSS SHOP") which has brought positive impact on revenue growth. The art fair in May 2021 and other brands collaboration events held were very successful. The revenue from WMNBSS SHOP for the second quarter 2021 was 1.5 times of that in the first quarter this year.

To further adapt to the fast changing and dynamic marketing industry, the Group has further expanded its marketing business in China via a licensing deal with Complex Networks. Complex Networks is a leading American media and entertainment company focused on popular and emerging trends in style, sneakers, food, music, sports and pop culture. The Group's strategy is to use Complex Networks' strong intellectual property and brand among trend setters in China to create an integrated entertainment and e-commerce offering, which resonates strongly with the Chinese youth market. This will provide monetization opportunities on several levels — domestic Chinese brands looking to grow their business among the next generation of Chinese shoppers, Western brands looking to enter the Chinese market, integrated e-commerce businesses, and live events.

With the contribution from the expanded business of WMNBSS SHOP, the Group's revenue for the six months ended 30 June 2021 slightly increased by 3% as compared with the same period last year. Stringent cost control continues to be in place including consolidating two offices into one in an industrial area since April 2021 that would save the Group about HK\$0.3 million per month. The Group's loss for the six months ended 30 June 2021, which increased by 107%, was mainly attributable to the expansion of the Group's business in WMNBSS SHOP and Complex China.

Looking ahead, the scaling back of the Group's core marketing production business has kept the negative business impact of the economic downturn well under control, generating an overall modest profit for the unit; the Hong Kong economy is expected to recover in the second half of 2021 as the COVID-19 situation improves with higher city-wide vaccination rate. The rollout of the consumption voucher scheme starting in the third quarter should also boost the retail industry in Hong Kong by adding momentum to the recovery of consumption. Given the encouraging start of the WMNBSS Shop as reflected by its revenue growth, WMNBSS Shop plans to continue its expansion by rolling out new initiatives in live events in the second half of the year to further capture new opportunities with a unique offline to online model. We believe the expansion and innovation of the two businesses, WMNBSS SHOP and Complex China, will elevate and broaden the Group's service offerings, to encompass a unique set of capabilities and wider market access in the ever changing consumer markets, where marketing is fast converging with entertainment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Revenue

The Group's revenue is principally generated from the provision of marketing production services, e-commerce and retail business and operation of a café which are categorised into (i) physical marketing production; (ii) digital marketing production; (iii) e-commerce and retail; and (iv) income from operation of a café. During the six months ended 30 June 2021, the Group's revenue increased by approximately HK\$0.7 million, representing 3.0%, to approximately HK\$24.2 million (2020: HK\$23.5 million).

The following table sets forth the breakdown of the revenue by service category during the period:

	For the six months ended 30 June			
	2021		2020	
	HK\$'000	%	HK\$'000	%
Physical marketing production	19,841	81.9	21,296	90.5
Digital marketing production	1,933	8.0	2,146	9.1
Sub-total	21,774	89.9	23,442	99.6
E-commerce and retail	1,554	6.4	84	0.4
Income from operation of café	893	3.7	—	—
Total	24,221	100.0	23,526	100.0

During the six months ended 30 June 2021, the revenue from physical marketing production services decreased by approximately 6.8% to approximately HK\$19.8 million (2020: HK\$21.3 million). The revenue from digital marketing production services decreased by approximately 9.9% to approximately HK\$1.9 million (2020: HK\$2.1 million). The slight decrease in revenue from physical marketing production and digital marketing production was mainly due to decrease in number of projects during the period.

During the six months ended 30 June 2021, the revenue from e-commerce and retail increased by approximately 1,750.0% to approximately HK\$1.6 million (2020: HK\$84,000). The significant increase in revenue for the period was mainly benefited from the opening of WMNBSS SHOP.

During the six months ended 30 June 2021, the income from operation of a café was approximately HK\$893,000. The operation of a café was not yet commenced during the six months ended 30 June 2020.

Outsourced project costs

Outsourced project costs consist of printing costs and other outsourced project costs. During the six months ended 30 June 2021, the Group's outsourced project costs decreased by approximately HK\$0.2 million, representing 2.9%, to approximately HK\$8.0 million (2020: HK\$8.3 million). The decrease was in line with the decrease in revenue from marketing production services.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Materials and consumables

Materials and consumables are costs on papers and other materials sourced by the Group for the marketing production and materials used for operation of a café and the cost of goods for retail sales. During the six months ended 30 June 2021, the Group's materials and consumables increased by approximately HK\$1.7 million, representing 93.0%, to approximately HK\$3.6 million (2020: HK\$1.9 million). The significant increase during the period was directly attributable to the opening of WMNBSS SHOP.

Employee benefits expenses

Employee benefits expenses primarily consist of salaries, allowances and benefits in kind and retirement benefit scheme contributions. During the six months ended 30 June 2021, the Group's employee benefits expenses increased by approximately HK\$2.8 million, representing 45.6%, to approximately HK\$8.9 million (2020: HK\$6.1 million). The increase was directly attributable to the expansion of the Group's business to adapt to the fast changing and dynamic marketing industry.

Rental expenses

Rental expenses primarily represent the rental expenses for short-term leases for office premises and staff quarter and the variable lease payment for the printing machines for confidential data printing services. During the six months ended 30 June 2021, the Group's rental expenses decreased by approximately HK\$0.2 million, representing 25.6%, to approximately HK\$0.7 million (2020: HK\$0.9 million). The decrease was directly attributable to the termination of short-term lease for office premise in the United States of America ("USA") in the mid of last year.

Transportation fee

Transportation fee consists of fees paid to logistic service providers for (i) delivery of products to clients; and (ii) postage incurred in respect of the direct mailing services. During the six months ended 30 June 2021, the Group's transportation fee decreased by approximately HK\$1.0 million, representing 27.1%, to approximately HK\$2.9 million (2020: HK\$3.9 million). The decrease was in line with the decrease in revenue from marketing production services.

Other operating expenses

Other operating expenses primarily consist of consultancy fee, professional fee, rates and building management fee, utilities and office expenses. During the six months ended 30 June 2021, the Group's other operating expenses increased by approximately HK\$1.6 million, representing 51.1%, to approximately HK\$4.8 million (2020: HK\$3.2 million). The increase was primarily attributable to the removal and reinstatement costs for the office premise relocation during the period and the expansion of the Group's business including the opening of WMNBSS SHOP.

Finance cost

Finance cost primarily represents the interest on lease liabilities. During the six months ended 30 June 2021, the Group's finance cost increased by approximately HK\$23,000, representing 11.7%, to approximately HK\$0.2 million (2020: HK\$0.2 million). The increase was mainly due to addition to lease liabilities for new office premise during the period and the WMNBSS SHOP.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Loss for the period

During the six months ended 30 June 2021, the Group recorded loss of approximately HK\$7.5 million (2020: HK\$3.6 million). The increase was mainly attributable to the increase in employee benefits expenses due to the expansion of the Group's business and removal and reinstatement costs for the office premise relocation during the period.

USE OF PROCEEDS

The following table sets forth the status of the use of proceeds from the Share Offer up to 30 June 2021:

	Planned use of net proceeds from Share Offer	Actual use of net proceeds		Revised allocation of net proceeds as at 6 May 2020 (Note 1)	Actual use of net proceeds		Further revised allocation of net proceeds as at 5 May 2021 (Note 2)	Actual use of net proceeds from 6 May 2021 to 30 June 2021	Unutilised net proceeds as at 30 June 2021 (Note 3)	Expected timeline of application of the unutilised net proceeds (Note 4)
		from the Listing date to 6 May 2020	Unutilised net proceeds as at 6 May 2020		from 7 May 2020 to 5 May 2021	Unutilised net proceeds as at 5 May 2021				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Enlarge the social media marketing production capability and offering	8,000	2,057	5,943	5,943	1,294	4,649	649	110	539	From 1 July 2021 to 31 December 2021
Enhance the overall service offerings and expand the team across three categories	9,142	1,581	7,561	7,561	734	6,827	327	120	207	From 1 July 2021 to 31 December 2021
Set up a studio and expand the work premises	11,458	9,648	1,810	1,810	1,810	—	—	—	—	N/A
Business development	8,280	4,210	4,070	2,070	2,070	—	8,000	1,140	6,860	From 1 July 2021 to 31 December 2021
Staff development	3,120	623	2,497	697	112	585	85	2	83	From 1 July 2021 to 31 December 2021
General working capital	3,800	3,800	—	3,800	2,160	1,640	4,640	800	3,840	From 1 July 2021 to 31 December 2021
Total:	43,800	21,919	21,881	21,881	8,180	13,701	13,701	2,172	11,529	

Notes:

- In accordance with the announcement of change in use of proceeds dated 6 May 2020 (the "2020 Announcement"), due to the reasons and benefits mentioned in the 2020 Announcement, the unutilised net proceeds was re-allocated with effect from 6 May 2020. For more details, please refer to the 2020 Announcement.
- In accordance with the announcement of further change in use of proceeds dated 5 May 2021 (the "2021 Announcement"), due to the reasons and benefits mentioned in the 2021 Announcement, the unutilised net proceeds was further re-allocated with effect from 5 May 2021. For more details, please refer to the 2021 Announcement.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3. The unutilised net proceeds as at 30 June 2021 were placed as bank balances with licensed banks in Hong Kong.
4. The expected timeline of application of the unutilised net proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of the Group's business and the market conditions.

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

As at 30 June 2021, the Group had net current assets of approximately HK\$63.5 million (31 December 2020: HK\$72.8 million), including time deposits and cash and bank balances of approximately HK\$68.3 million (31 December 2020: HK\$69.1 million) mainly denominated in Hong Kong dollars, with approximately HK\$8.0 million (31 December 2020: HK\$7.7 million) denominated in renminbi which is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

The gearing ratio of the Group as at 30 June 2021 was approximately 12.0% (31 December 2020: 8.0%). The gearing ratio is calculated as total debt divided by total equity as at the respective period end.

There has been no change in the capital structure of the Company during the six months ended 30 June 2021. The equity attributable to owners of the Company amounted to approximately HK\$77.0 million as at 30 June 2021 (31 December 2020: HK\$83.1 million).

FOREIGN EXCHANGE EXPOSURE AND TREASURY POLICY

The majority of the Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollars. During the period, there was no material impact to the Group arising from the fluctuation in the foreign exchange rates. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the period. The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

PLEDGE OF ASSETS

As at 30 June 2021, the Group did not have any pledged assets (31 December 2020: Nil).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

On 29 September 2019, the Group subscribed for the early stage venture capital fund with a total committed capital contribution of US\$250,000. Up to 30 June 2021, the Group have paid the committed capital contribution of US\$100,000 (equivalent to approximately HK\$780,000). The remaining committed capital contribution outstanding as at 30 June 2021 amounted to US\$150,000 (equivalent to approximately HK\$1,163,000) (31 December 2020: US\$150,000 (equivalent to approximately HK\$1,163,000)).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Up to 30 June 2021, the Group recognised a license fee of US\$27,000 (equivalent to approximately HK\$209,000) (31 December 2020: prepayment of US\$27,000 (equivalent to approximately HK\$209,000)) for obtaining an exclusive distribution right to produce and distribute marketing media programme in the PRC through internet under the brandname of a famous marketing media producer (the “Media Producer”), which stationed in the USA. According to the term sheet entered between the Group and the Media Producer, the Group is committed to finance the co-operative project with the Media Producer with mutually approved budget of US\$1,800,000 (equivalent to approximately HK\$13,953,000) (31 December 2020: US\$1,800,000 (equivalent to approximately HK\$13,953,000)). Also, according to the term sheet between the Group and the Media Producer, subject to further negotiation and to enter into an agreement, the Group is committed to pay further license fee of US\$63,000 (equivalent to HK\$488,000) (31 December 2020: US\$63,000 (equivalent to HK\$488,000)) to the Media Producer and to finance the co-operative project with the Media Producer with mutually approved budget of US\$1,200,000 (equivalent to approximately HK\$9,302,000) (31 December 2020: US\$1,200,000 (equivalent to approximately HK\$9,302,000)). As of 30 June 2021, approximately US\$490,000 (equivalent to approximately HK\$3,800,000) has been spent in this project.

In 2020, the Group appointed an independent third party to write a pilot script for a television series for a total fee of US\$210,000 (equivalent to approximately HK\$1,628,000). Up to 30 June 2021, the pilot script writing charge incurred US\$105,000 (equivalent to approximately HK\$815,000). The amount represented remaining commitment upon the completion of milestones by the pilot script writer amounted to US\$105,000 (equivalent to approximately HK\$815,000) (31 December 2020: US\$168,000 (equivalent to approximately HK\$1,302,000)) as at 30 June 2021.

24 As at 30 June 2021, the Group did not have any material contingent liability (31 December 2020: Nil).

EMPLOYEE AND REMUNERATION

As at 30 June 2021, the Group had 45 (31 December 2020: 37) full-time employees (including executive Director). The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. The Group has adopted a share option scheme and approved by the then Shareholders on 16 November 2017 (the “Share Option Scheme”) for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group’s operations. The Group has also adopted other employee benefits including a mandatory provident fund retirement benefit scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in central pension scheme organised and governed by the relevant local governments for its employees in the PRC and also participated to contribute social security and medical as required by the local government for employees in the USA. In addition, discretionary bonus is offered to eligible employees by reference to the Group’s results and individual performance. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed in the Prospectus and the section headed “Use of Proceeds” of this interim report, the Group did not have other plans for material investments and capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

During the six months ended 30 June 2021, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and affiliated companies.

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

During the six months ended 30 June 2021 and up to the date of this report, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

EVENT AFTER THE REPORTING PERIOD

The Group has no significant events after the reporting period.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2021, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to 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 which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

(i) Interests in the Shares of the Company

Name of Director	Nature of interest	Number of Shares held ⁽¹⁾	Shareholding percentage
Ms. Bonnie Chan Woo ⁽²⁾	Interest in a controlled corporation	277,200,000 (L) ⁽²⁾	57.75%
	Interest held jointly with another person	34,850,000 (L) ⁽³⁾	7.26%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- Explorer Vantage was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares held by Explorer Vantage.
- Mirousky Limited ("Mirousky") holds 34,850,000 Shares. Mirousky is wholly-owned by Gain Smart Asia Limited ("Gain Smart") and Gain Smart is beneficially owned as to 50% by Ms. Bonnie Chan Woo and 50% by her spouse, Mr. Darrin Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the shares held by Mirousky.

(ii) Interests in associated corporation(s) of the Company

Name of Director	Name of associated corporation(s)	Capacity	Number of Share(s) held ⁽¹⁾	Shareholding percentage
Ms. Bonnie Chan Woo	Explorer Vantage ⁽²⁾	Beneficial owner	1 (L)	100%
	Papercom Limited ("Papercom") ⁽³⁾	Interest in a controlled corporation	10,000 (L)	100%

Notes:

- The letter "L" denotes the person's long position in the shares.
- Explorer Vantage is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
- Papercom is beneficially and wholly-owned by Explorer Vantage. Under the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares held by Explorer Vantage.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

Save as disclosed above, as at 30 June 2021, none of the Directors or chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were 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 will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2021, to the knowledge of the Directors, Shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Interests in the Shares of the Company

Name	Type of interest	Number of Shares held ⁽¹⁾	Percentage of shareholding in the Company
Explorer Vantage	Beneficial owner	277,200,000 (L) ⁽²⁾	57.75%
Mr. Darrin Woo	Interest of spouse	277,200,000 (L) ⁽³⁾	57.75%
	Interests held jointly with another person	34,850,000 (L) ⁽⁴⁾	7.26%
Mirousky	Beneficial owner	34,850,000 (L) ⁽⁵⁾	7.26%
Gain Smart	Interest in a controlled corporation	34,850,000 (L) ⁽⁵⁾	7.26%
Ms. Chow Jacqueline Wai Ying	Beneficial owner	47,950,000 (L)	9.99%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- Explorer Vantage was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
- Mr. Darrin Woo is the spouse of Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares which are interested by Ms. Bonnie Chan Woo.
- Mirousky is wholly-owned by Gain Smart and Gain Smart is beneficially owned as to 50% by Mr. Darrin Woo and 50% by his spouse, Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares held by Mirousky.
- Mirousky is wholly-owned by Gain Smart. Such 34,850,000 Shares belong to the same batch of Shares.

Save as disclosed above, as at 30 June 2021, to the knowledge of the Directors, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

SHARE OPTION SCHEME

Share Option Scheme was adopted and approved by the then Shareholders of the Company on 16 November 2017. Details of the Share Option Scheme are set out in Appendix IV to the Prospectus. No share option has been granted pursuant to the Share Option Scheme since its adoption.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed above, at no time during the six months ended 30 June 2021 and up to the date of this report, have the Directors and the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interest in, or had been granted, or exercised any rights to subscribe for Shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above in the section "Share Option Scheme", at no time during the six months ended 30 June 2021 and up to the date of this report was the Company, any of its subsidiaries, its associated companies or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the Shares or underlying shares in, or debentures of, the Company and/or its associated corporations (within the meaning of the SFO).

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DIRECTORS' INTEREST IN COMPETING BUSINESS

During the six months ended 30 June 2021 and up to the date of this report, none of the Directors, nor the substantial Shareholders nor their respective close associates (as defined under the GEM Listing Rules) had any interests (other than their interest in the Company or its subsidiaries) in any business which competed or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

DEED OF NON-COMPETITION

The Deed of Non-Competition dated 16 November 2017 (as defined in the Prospectus) was entered into by Explorer Vantage and Ms. Bonnie Chan Woo in favour of the Company (for the Company and for the benefit of its subsidiaries) regarding non-competition undertakings. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed "Relationship with our Controlling Shareholders — Deed of Non-competition" and the non-competition undertaking has become effective from the Listing Date.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the "Model Code") 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 Company has confirmed that, having made specific enquiry of all the Directors, all Directors have complied with the Model Code throughout the six months ended 30 June 2021.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she was a Director.

LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

On 20 August 2018, Icycle Production Company Limited ("Icycle Production"), an indirect wholly-owned subsidiary of the Company, as the borrower, entered into a bank facility letter (the "Facility Letter") with DBS Bank (Hong Kong) Limited as the lender (the "Lender"), pursuant to which the Lender agreed to make available a bank overdraft facility, with a maximum facility of HK\$10,000,000, which has been made available and will continue to be made available by Lender to Icycle Production on the terms and conditions therein contained. Pursuant to the Facility Letter, a specific performance covenant is imposed on Ms. Bonnie Chan Woo, the controlling Shareholder of the Company, to hold not less than 51% beneficial interest of the Company and Icycle Production.

In 2020, the Facility Limit has been adjusted to HK\$9,500,000 after the regular review by the Lender. Other than that, all terms and conditions under the Facility Letter remain unchanged.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance in emphasising a quality board of directors, sound internal control, transparency and accountability with a view to safeguard the interests of all the Shareholders. The Board has adopted the principles and the code provisions of Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules. In accordance with the requirements of the GEM Listing Rules, the Company has established the Audit Committee, a nomination committee and a remuneration committee with specific written terms of reference. During the six months ended 30 June 2021 and up to the date of this report, the Company has complied with all the code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules except for the deviation from code provision A.2.1 as detailed below.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current structure of the Company, Ms. Bonnie Chan Woo is the Chairperson and the CEO. In view that Ms. Bonnie Chan Woo has been managing the Group's business and overall strategic planning since August 2002, the Board believes that the vesting of the roles of the Chairperson of the Board and CEO in Ms. Bonnie Chan Woo is beneficial to the business operations and management of the Group as it provides a strong and consistent leadership to the Group, and the current management has been effective in the development of the Group and implementation of business strategies under the leadership of Ms. Bonnie Chan Woo. In allowing the two roles to be vested in the same person, the Board believes both positions require in-depth knowledge and considerable experience in the Group's business, and Ms. Bonnie Chan Woo is the most suitable person to take up both positions for effective management of the Group.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

Therefore, the Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstances. Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high-caliber individuals, with three of them being independent non-executive Directors.

Audit Committee and Review of Unaudited Condensed Consolidated Financial Statements

The Audit Committee was established with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald and Mr. Ip Arnold Tin Chee is the chairman of the Audit Committee. The primary duties of the Audit Committee include reviewing and supervising the Group's financial reporting system, monitoring the internal control procedures and risk management, reviewing the Group's financial information and the relationship with the external auditor of the Company, ensuring compliance with the relevant laws and regulations. In addition, the Audit Committee is responsible for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group's management.

The Unaudited Condensed Consolidated Financial Statements have not been audited. The Audit Committee has reviewed with the management of the Group the Unaudited Condensed Consolidated Financial Statements, the interim report, the accounting principles and policies adopted by the Group, and other financial reporting matters. The Audit Committee is satisfied that the Unaudited Condensed Consolidated Financial Statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board

Icicle Group Holdings Limited

Woo Chan Tak Chi Bonnie

Chairperson and Chief Executive Officer

Hong Kong, 4 August 2021

As at the date of this report, the Board comprises Ms. Woo Chan Tak Chi Bonnie as executive Director, Mr. Chow Sai Yiu Evan as non-executive Director and Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald as independent non-executive Directors.