



ICICLE

# Icicle Group Holdings Limited

冰雪集團控股有限公司

FIRST QUARTERLY REPORT

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE

8429

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the 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 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

## 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

## CORPORATE INFORMATION (CONTINUED)

### 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

### 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.iciclegroup.com](http://www.iciclegroup.com)

# UNAUDITED FIRST QUARTERLY 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 ended 31 March 2022 (the “Unaudited Condensed Consolidated Financial Statements”), together with the unaudited comparative figures for the corresponding period in 2021 as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2022

	Notes	For the three months ended	
		2022	2021
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
<b>Revenue</b>	3	<b>10,381</b>	12,676
Other income and gains	3	<b>1,054</b>	231
Outsourced project costs		<b>(2,874)</b>	(3,869)
Materials and consumables		<b>(858)</b>	(1,693)
Depreciation and amortisation expenses		<b>(939)</b>	(2,027)
Employee benefits expenses		<b>(3,803)</b>	(3,684)
Rental expenses		<b>(504)</b>	(316)
Transportation fee		<b>(1,365)</b>	(1,654)
Other operating expenses		<b>(1,361)</b>	(2,475)
Finance cost		<b>(72)</b>	(110)
<b>Loss before income tax</b>		<b>(341)</b>	(2,921)
Income tax expense	4	<b>(30)</b>	—
<b>Loss for the period</b>		<b>(371)</b>	(2,921)
<b>Attributable to:</b>			
Owners of the Company		<b>(559)</b>	(2,379)
Non-controlling interests		<b>188</b>	(542)
<b>Loss for the period</b>		<b>(371)</b>	(2,921)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the three months ended 31 March 2022

	Notes	For the three months ended 31 March	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
<b>Loss for the period</b>		<b>(371)</b>	(2,921)
<b>Other comprehensive expense:</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(85)</b>	(9)
<b>Other comprehensive expense for the period, net of income tax</b>		<b>(85)</b>	(9)
<b>Total comprehensive expense for the period</b>		<b>(456)</b>	(2,930)
<b>Attributable to:</b>			
Owners of the Company		<b>(630)</b>	(2,386)
Non-controlling interests		<b>174</b>	(544)
<b>Total comprehensive expense for the period</b>		<b>(456)</b>	(2,930)
<b>Loss per share attributable to the owners of the Company</b>			
Basic and diluted (HK cents)	6	<b>(0.12)</b>	(0.50)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

	Equity attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Other reserve HK\$'000	Retained earnings/ (Accumulated losses) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
<b>As at 1 January 2022 (audited)</b>	4,800	53,131	11,993	(648)	182	225	69,683	(6,605)	63,078
(Loss)/profit for the period	—	—	—	—	—	(559)	(559)	188	(371)
Other comprehensive expense:									
Exchange differences arising on translation of foreign operations	—	—	—	(71)	—	—	(71)	(14)	(85)
Total comprehensive (expense)/income for the period	—	—	—	(71)	—	(559)	(630)	174	(456)
<b>As at 31 March 2022 (unaudited)</b>	4,800	53,131	11,993	(719)	182	(334)	69,053	(6,431)	62,622
<b>As at 1 January 2021 (audited)</b>	4,800	53,131	11,993	(694)	97	13,801	83,128	(3,000)	80,128
Loss for the period	—	—	—	—	—	(2,379)	(2,379)	(542)	(2,921)
Other comprehensive expense:									
Exchange differences arising on translation of foreign operations	—	—	—	(7)	—	—	(7)	(2)	(9)
Total comprehensive expense for the period	—	—	—	(7)	—	(2,379)	(2,386)	(544)	(2,930)
<b>As at 31 March 2021 (unaudited)</b>	4,800	53,131	11,993	(701)	97	11,422	80,742	(3,544)	77,198

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2022

## 1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Act 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 KY1-1108, 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") offered by the Company at an offer price of HK\$0.55 per Share. The Company's principal place of business is located at 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, operation of a café and content media business.

## 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 all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations 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 2021.

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 2021, except for the new and revised HKFRSs and interpretations issued by HKICPA that are first effective for the current accounting period of the Group. 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three months ended 31 March 2022

## 2. BASIS OF PREPARATION AND PRESENTATION (Continued)

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 2021.

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 three months ended 31 March 2022

## 3. REVENUE AND OTHER INCOME AND GAINS

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

	<b>For the three months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Revenue</b>		
Revenue from provision of marketing production services	7,591	11,696
Revenue from e-commerce and retail	9	414
Revenue from operation of a café	—	566
Income from content media business	2,781	—
	<b>10,381</b>	12,676
<b>Other income and gains</b>		
Gain on termination of lease	829	—
Interest income	124	129
Government subsidies	50	100
Sundry income	51	2
	<b>1,054</b>	231

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three months ended 31 March 2022

## 4. INCOME TAX EXPENSE

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 (2021: 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% (2021: 8.25%) during the period, and profits above HK\$2,000,000 will be taxed at 16.5% (2021: 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% (2021: 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 during the three months ended 31 March 2021.

Under the Enterprise Income Tax (“EIT”) Law and the Implementation Regulation of the EIT Law, the subsidiary in the People’s Republic of China (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 during the three months ended 31 March 2021.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three months ended 31 March 2022

## 4. 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 31 March 2022, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiary amounted to approximately HK\$3,334,000 (2021: HK\$2,517,000). Deferred tax liabilities of approximately HK\$167,000 (2021: HK\$126,000) 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.

## 5. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 31 March 2022 (2021: Nil).

## 6. LOSS PER SHARE

The calculations of basic loss per Share are based on the loss of approximately HK\$559,000 (2021: HK\$2,379,000) for the period attributable to the owners of the Company and the weighted average number of 480,000,000 (2021: 480,000,000) Shares in issue during the period.

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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

The 5th wave of COVID in Hong Kong has set back the gradual recovery of market economy in 2021. Our marketing production services have been badly affected resulting from the significant reduction in marketing spend of our key clients from retail, luxury brands, hospitality and insurance business sectors. Basically, other than those minimum regular items, there was no marketing campaign or ad hoc project at all from our clients. Revenue from marketing production services for the three months ended 31 March 2022 decreased by 35% as compared with the same period last year.

The Group's expanded content media business via a licensing deal with US-based entertainment company, focused on popular and emerging trends in style, sneakers, food, music, sports and pop culture, continued to develop with few more projects secured in this first quarter of 2022. Revenue from content media business for the three months ended 31 March 2022 was HK\$2.8 million.

The Group's e-commerce start-up business supplemented by operation of a café in Hong Kong has been suspended due to high operating costs and continued COVID-related challenges.

The Group's revenue for the three months ended 31 March 2022 decreased by 18% as compared with the same period last year. The impact of decrease in revenue from marketing production services and e-commerce and operation of cafe was mitigated by revenue generated from the content media business. Despite the decrease in revenue, the Group's loss for the three months ended 31 March 2022 decreased by 87% as compared with the same period last year that was benefited from cost control on operating costs.

Looking ahead, although the 5th wave of COVID in Hong Kong has reached its peak, there are still uncertainties in the market recovery on our marketing production business. Regarding the content media business, the COVID in Hong Kong and mainland China has delayed discussion for new projects and execution and delivery of secured projects. While the Group is diligently evaluating opportunities striving for the growth of the Group, we would continue imposing stringent cost control.

## 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, operation of a café and content media business which are categorised into (i) physical marketing production; (ii) digital marketing production; (iii) e-commerce and retail; (iv) income from operation of a café and (v) income from content media business. During the three months ended 31 March 2022, the Group's revenue decreased by approximately HK\$2.3 million, representing 18.1%, to approximately HK\$10.4 million (2021: HK\$12.7 million).

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

	For the three months ended 31 March			
	2022		2021	
	HK\$'000 (Unaudited)	%	HK\$'000 (Unaudited)	%
Physical marketing production	7,199	69.3	10,569	83.4
Digital marketing production	392	3.8	1,127	8.9
Sub-total	7,591	73.1	11,696	92.3
E-commerce and retail	9	0.1	414	3.3
Income from operation of a café	—	—	566	4.4
Sub-total	9	0.1	980	7.7
Income from content media business	2,781	26.8	—	—
Total	10,381	100.0	12,676	100.0

During the three months ended 31 March 2022, the revenue from physical marketing production services decreased by approximately 31.9% to approximately HK\$7.2 million (2021: HK\$10.6 million). The revenue from digital marketing production services decreased by approximately 65.2% to approximately HK\$0.4 million (2021: HK\$1.1 million). The decrease in revenue from physical marketing production and digital marketing production was mainly due to decrease in number of projects during the period.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

During the three months ended 31 March 2022, the revenue from e-commerce and retail was approximately HK\$9,000 and no income from operation of a café was generated. The significant decrease in revenue was due to the suspension of this business during the period.

During the period, the income from content media business was approximately HK\$2.8 million. The revenue mainly represented brand income on our original content. The content media business was not yet commenced during the three months ended 31 March 2021.

### Outsourced project costs

Outsourced project costs consist of printing costs and other outsourced project costs and costs for content media business. During the three months ended 31 March 2022, the Group's outsourced project costs decreased by approximately HK\$1.0 million, representing 25.7%, to approximately HK\$2.9 million (2021: HK\$3.9 million). The decrease was in line with the decrease in revenue from marketing production services.

### 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 three months ended 31 March 2022, the Group's materials and consumables decreased by approximately HK\$0.8 million, representing 49.3%, to approximately HK\$0.9 million (2021: HK\$1.7 million). The decrease was directly attributable to the suspension of the e-commerce and café business during the period.

### Employee benefits expenses

Employee benefits expenses primarily consist of salaries, allowances and benefits in kind, discretionary bonus and retirement benefit scheme contributions. During the three months ended 31 March 2022, the Group's employee benefits expenses increased by approximately HK\$0.1 million, representing 3.2%, to approximately HK\$3.8 million (2021: HK\$3.7 million). The increase was directly attributable to the expansion of business of content media business and offsetting by the decrease effect from suspension of the e-commerce and cafe business.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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 three months ended 31 March 2022, the Group's rental expenses increased by approximately HK\$0.2 million, representing 59.5%, to approximately HK\$0.5 million (2021: HK\$0.3 million). The increase was primarily attributable to the new short term lease for office premise in the PRC for the content media business.

### Transportation fee

Transportation fee consists of fees paid to logistic service providers for (i) delivery of products from merchants and to clients; and (ii) postage incurred in respect of the direct mailing services. During the three months ended 31 March 2022, the Group's transportation fee decreased by approximately HK\$0.3 million, representing 17.5%, to approximately HK\$1.4 million (2021: HK\$1.7 million). The decrease was directly attributable to 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 three months ended 31 March 2022, the Group's other operating expenses decreased by approximately HK\$1.1 million, representing 45.0%, to approximately HK\$1.4 million (2021: HK\$2.5 million). The decrease was primarily attributable to the removal and reinstatement costs for the office premise relocation incurred during the period ended 31 March 2021 and no such expenses recognised during the period.

### Finance cost

Finance cost primarily represents the interest on lease liabilities. During the three months ended 31 March 2022, the Group's finance cost decreased by approximately HK\$38,000, representing 34.5%, to approximately HK\$72,000 (2021: HK\$110,000). The decrease was mainly due to the early termination of the lease for the shop in Sham Shui Po.

### Loss for the period

During the three months ended 31 March 2022, the Group recorded loss of approximately HK\$0.4 million (2021: HK\$2.9 million). The decrease in loss was mainly benefited from cost control on operating costs during the period.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### USE OF PROCEEDS

The following table sets forth the status of the use of proceeds from the Share Offer up to 31 March 2022:

	Planned use of net proceeds from Share Offer	Actual use of net proceeds from the Listing date to 6 May 2020	Unutilised net proceeds as at 6 May 2020	Revised allocation of net proceeds as at 6 May 2020 (Note 1)	Actual use of net proceeds from 7 May 2020 to 5 May 2021	Unutilised net proceeds as at 5 May 2021	Further revised allocation of net proceeds as at 5 May 2021 (Note 2)	Actual use of net proceeds from 6 May 2021 to 31 March 2022	Unutilised net proceeds as at 31 March 2022 (Note 3)	Expected timeline of application of the unutilised net proceeds (Note 4)
	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	649	—	N/A
Enhance the overall service offerings and expand the team across three categories	9,142	1,581	7,561	7,561	734	6,827	327	327	—	N/A
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	5,806	2,194	From 1 April 2022 to 31 December 2022
Staff development	3,120	623	2,497	697	112	585	85	10	75	From 1 April 2022 to 31 December 2022
General working capital	3,800	3,800	—	3,800	2,160	1,640	4,640	4,640	—	N/A
<b>Total:</b>	<b>43,800</b>	<b>21,919</b>	<b>21,881</b>	<b>21,881</b>	<b>8,180</b>	<b>13,701</b>	<b>13,701</b>	<b>11,432</b>	<b>2,269</b>	

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Notes:

1. 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.
2. 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.
3. The unutilised net proceeds as at 31 March 2022 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. The business strategy and development has been affected by the outbreak of COVID that has caused the delay in deployment of the use of proceeds.

## LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

As at 31 March 2022, the Group had net current assets of approximately HK\$57.4 million (31 December 2021: HK\$58.1 million), including time deposits and cash and bank balances of approximately HK\$57.3 million (31 December 2021: HK\$56.2 million) mainly denominated in Hong Kong dollars, with approximately HK\$4.3 million (31 December 2021: HK\$5.0 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 31 March 2022 was 8.2% (31 December 2021: 11.0%). 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 three months ended 31 March 2022. The equity attributable to owners of the Company amounted to approximately HK\$69.1 million as at 31 March 2022 (31 December 2021: HK\$69.7 million).

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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 31 March 2022, the Group did not have any pledged assets (31 December 2021: Nil).

### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

During the year ended 31 December 2020, the Group obtained 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 invest in the co-operative project with the Media Producer with mutually approved budget of US\$1,800,000 (equivalent to HK\$13,953,000). On 28 April 2021, Shanghai Qixian Culture Communication Co., Ltd was incorporated in the PRC to commence the operation of such project. During the period ended 31 March 2022, project costs of HK\$1,738,000 (equivalent to US\$223,000) (31 December 2021: HK\$1,236,000 (equivalent to US\$167,000)) was incurred by the Group for project. As at 31 March 2022, the other commitment in relation to the mutually approved budget is US\$1,410,000 (equivalent to HK\$10,979,000) (31 December 2021: US\$1,633,000 (equivalent to HK\$12,717,000)). 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) to the Media Producer and to invest in the cooperative project with the Media Producer with mutually approved budget of US\$1,200,000 (equivalent to approximately HK\$9,302,000).

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at 31 March 2022, the Group did not have any material contingent liability (31 December 2021: Nil).

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group had 40 (31 December 2021: 40) full-time (including executive Director) employees. 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 of the Company (the "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. 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

Save as disclosed in the Prospectus and the section headed "Use of Proceeds" of this report on page 16, the Group did not have other plans for material investments and capital assets.

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

During the three months ended 31 March 2022, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and affiliated companies.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

During the three months ended 31 March 2022 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 31 March 2022, 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 <sup>(1)</sup>	Shareholding percentage
Ms. Woo Chan Tak Chi	Interest in a controlled corporation	277,200,000 (L) <sup>(2)</sup>	57.75%
Bonnie ("Ms. Bonnie Chan Woo")	Interest held jointly with another person	34,850,000 (L) <sup>(3)</sup>	7.26%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- Explorer Vantage Limited ("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.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

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

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

Notes:

1. The letter "L" denotes the person's long position in the shares.
2. Explorer Vantage is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
3. 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.

Save as disclosed above, as at 31 March 2022, 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.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

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

As at 31 March 2022, 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 <sup>(1)</sup>	Percentage of shareholding in the Company
Explorer Vantage	Beneficial owner	277,200,000 (L) <sup>(2)</sup>	57.75%
Mr. Darrin Woo	Interest of spouse	277,200,000 (L) <sup>(3)</sup>	57.75%
	Interests held jointly with another person	34,850,000 (L) <sup>(4)</sup>	7.26%
Mirousky	Beneficial owner	34,850,000 (L) <sup>(5)</sup>	7.26%
Gain Smart	Interest in a controlled corporation	34,850,000 (L) <sup>(5)</sup>	7.26%
Ms. Chow Jacqueline Wai Ying ("Ms Chow")	Beneficial owner	35,950,000 (L) 35,950,000 (S)	7.49%
Mr. Yang Zaiyong ("Mr. Yang")	Beneficial owner	47,950,000 (L) <sup>(5)</sup>	9.99%

Notes:

- The letter "L" denotes the person's long position in the Shares. The letter "S" denotes the person's short 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.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

4. 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.
5. Mirousky is wholly-owned by Gain Smart. Such 34,850,000 Shares belong to the same batch of Shares.
6. As per the disclosure of interest form filed by Mr. Yang on 12 November 2021, Blockstone Ltd, which is beneficially owned by Mr. Yang, engaged the call option agreement with Ms. Chow to have a right to take 35,950,000 Shares, which is now held by Ms. Chow, during the option period prescribed in the said agreement on 4 November 2021.

Save as disclosed above, as at 31 March 2022, 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.

## SHARE OPTION SCHEME

Share Option Scheme was adopted and approved by the then Shareholders 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 three months ended 31 March 2022 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).

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

Save as disclosed above in the section “Share Option Scheme”, at no time during the three months ended 31 March 2022 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).

### DIRECTORS' INTEREST IN COMPETING BUSINESS

During the three months ended 31 March 2022 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.

### 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 during the three months ended 31 March 2022.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

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, 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 three months ended 31 March 2022 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 C.2.1 as detailed below.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

Code provision C.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 chief executive officer of the Company (“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.

Therefore, the Board considers that the deviation from code provision C.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 D.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.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION (CONTINUED)

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, this quarterly 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 May 2022

*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.*