ICO Group Limited
揚科集團有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8140

PLACING

Sole Sponsor

NEW SPRING CAPITAL LIMITED

Sole Lead Manager

Quam Securities & Futures 華富嘉洛證券期貨

* For identification purpose only

IMPORTANT

***If you are in any doubt** about any of the contents of this prospectus, you should obtain independent professional advice.*

ICO Group Limited
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LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares	:	**250,000,000 Placing Shares**
Placing Price	:	**Not more than HK$0.4 per Placing Share and expected to be not less than HK$0.3 per Placing Share, plus brokerage fee of 1%, SFC transaction levy of 0.0027%, and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**HK$0.01 per Share**
Stock code	:	**8140**

Sole Sponsor

NEW SPRING CAPITAL LIMITED

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Quam Securities & Futures 華富嘉洛證券期貨

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies and available for inspection" in Appendix V to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of this prospectus or any of the other documents referred to above.

The Placing Price is currently expected to be fixed by an agreement between our Company and the Lead Manager (for itself and on behalf of the Underwriter) on the Price Determination Date, which is expected to be at or before 5:00 p.m. on Wednesday, 11 March 2015 (Hong Kong time) or such later date or time as agreed by our Company and the Lead Manager (for itself and on behalf of the Underwriter). The Placing Price is currently expected to be not more than HK$0.4 per Placing Share and not less than HK$0.3 per Placing Share. The Lead Manager (for itself and on behalf of the Underwriter) may reduce the indicative Placing Price range stated in this prospectus at any time prior to the Price Determination Date. In such a case, a notice of the reduction of the indicative Placing Price range will be published on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ico.com.hk**. If, for any reason, the Placing Price is not agreed between our Company and the Lead Manager (for itself and on behalf of the Underwriter) by the Price Determination Date or such later date or time as agreed by our Company and the Lead Manager (for itself and on behalf of the Underwriter), the Placing will not become unconditional and will lapse.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including but not limited to the risk factors set out in the section headed "Risk factors" of this prospectus.

Prospective investors of the Placing Shares should note that the Underwriter are entitled to terminate their obligations under the Underwriting Agreement by notice in writing given by the Lead Manager (for itself and on behalf of the Underwriter) upon the occurrence of any of the events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" in this prospectus, at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

* *For identification purpose only*

10 March 2015

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to higher market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

(Note 1)

Expected Price Determination Date *(Note 2)* . . . . at or before 5:00 p.m. on Wednesday, 11 March 2015

Announcement of the Placing Price and the level of indication of interest in the Placing to be published on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ico.com.hk** on or before . . . . Tuesday, 17 March 2015

Allotment of the Placing Shares on or before . . . . Tuesday, 17 March 2015

Deposit of share certificates for the Placing Shares into CCASS on or before *(Note 3)* . . . . Tuesday, 17 March 2015

Dealings in the Shares on GEM to commence at 9:00 a.m. on . . . . Wednesday, 18 March 2015

Notes:

1. In this prospectus, unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

2. The Price Determination Date is expected to be at or before 5:00 p.m. on Wednesday, 11 March 2015 (or such later date or time as agreed between our Company and the Lead Manager (for itself and on behalf of the Underwriter)). If the Lead Manager (for itself and on behalf of the Underwriter) and our Company are unable to reach an agreement on the Placing Price on the Price Determination Date, or such later date or time as agreed between our Company and the Lead Manager, the Placing will not become unconditional and will lapse.

3. The share certificates for the Placing Shares to be distributed via CCASS are expected to be deposited into CCASS on or before Tuesday, 17 March 2015 for credit to the relevant CCASS Participants' stock accounts designated by the Lead Manager, the placees or their respective agents (as the case may be). No temporary documents or evidence of title will be issued.

4. If there is any change to the above expected timetable, our Company will make an appropriate announcement to inform investors accordingly.

5. All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

Details of the structure of the Placing, including the conditions thereto, are set out in the section headed "Structure and conditions of the Placing" in this prospectus.

This prospectus is issued by our Company solely in connection with the Placing and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Placing Shares offered by this prospectus pursuant to the Placing. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a Placing of the Placing Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.

You should rely only on the information contained in this prospectus to make your investment decision.

Our Company, the Sponsor, the Lead Manager and the Underwriter have not authorised anyone to provide you with information that is different from what is contained in this prospectus.

Any information or representation not made nor contained in this prospectus must not be relied on by you as having been authorised by our Company, the Sponsor, the Lead Manager, the Underwriter, any of their respective directors, officers, employees, advisers, agents, representatives or affiliates of any of them or any other persons or parties involved in the Placing.

The contents of our Company's website at www.ico.com.hk do not form part of this prospectus.

CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Placing Shares. These are risks associated with any investment. Some of the particular risks in investing in the Placing Shares are set out in the section headed "Risk factors" of this prospectus. You should read that section carefully before you decide to invest in the Placing Shares.

OVERVIEW

Established in 1992, we are an IT service provider based in Hong Kong. Our Group is principally engaged in the following businesses:

(1) Provision of IT application and solution development services

We have engaged in the provision of IT application and solution development services in Hong Kong since 1995. The provision of IT application and solution development services generally include IT systems integration, software development, technology consultancy, third party hardware and software procurement, and after sales service. Our IT application and solution development services are generally provided on a project basis.

During the Track Record Period, our Group has experienced cost overrun on one IT application and solution development project and recognised a loss of approximately HK$4.2 million for the year ended 31 March 2012 due to the increase in direct labour cost from assigning additional staff to the project; other than this, our Group has not experienced any other cost overrun.

(2) Provision of secondment services

We have been offering secondment services in Hong Kong since 1995 where we designate our staff to work for our customers for a fixed period of time pursuant to the relevant secondment service agreements. Our seconded staff are responsible for carrying out a wide range of IT-related services for our customers, such as system administration, unit testing, preparation of technical specifications, system design, development and support.

(3) Provision of maintenance and support services

Following the completion of the provision of IT application and solution development services, we may be engaged by our customers to provide maintenance and support services in separate agreements. We may also be engaged by customers whose IT systems were built and developed by other parties but seek us for maintenance and support services.

(4) Provision of IT infrastructure solutions

We assess, design and implement IT infrastructure solutions for our customers. Our Group provides IT infrastructure solutions to customers by integrating various hardware and software sourced from third party suppliers, including servers, storage systems, security systems, software, and networking equipment, to fulfil customers' requirements in relation to their IT infrastructure.

The following table sets out the revenue by segments for the periods indicated:

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000* (Unaudited)	*%*	*HK$'000*	*%*
IT application and solution development	33,762	15.3	25,995	13.3	21,679	11.4	12,221	12.9	6,674	7.5
Secondment services	45,409	20.6	42,812	21.8	40,660	21.4	19,757	20.9	21,880	24.7
Maintenance and support services	16,954	7.7	18,825	9.6	19,614	10.3	8,928	9.4	9,933	11.2
IT infrastructure solutions	124,562	56.4	108,520	55.3	108,031	56.9	53,748	56.8	50,228	56.6
	220,687	100.0	196,152	100.0	189,984	100.0	94,654	100.0	88,715	100.0

Bidding proposals during the Track Record Period

During the Track Record Period, the total number of IT application and solution development projects was 13, 19, 21 and 24 respectively, in which two, three, three and six contracts with contract values of HK$1 million or above were obtained through competitive tendering process for each of the three years ended 31 March 2012, 2013 and 2014, and the six months ended 30 September 2014 respectively. As of the Latest Practicable Date, there were ten bidding proposals for IT application and solution development projects with contract value of HK$1 million or above pending tendering results. Please refer to the paragraph headed "Recent development subsequent to the Track Record Period" under the section headed "Financial information" in this prospectus for further details.

The following table illustrates our Group's success rate of bidding proposals for IT application and solution development projects with contract values of HK$1 million or above:

	For the year ended 31 March 2012	For the year ended 31 March 2013	For the year ended 31 March 2014	From 1 April 2014 up to the Latest Practicable Date
Number of bidding results received by our Group	10	9	6	10
Number of successful biddings	2	3	3	6
Awarded contract sum (approximately)	HK$2.4 million	HK$17.4 million	HK$15.3 million	HK$431 million *(Note 1)*
Success rate of bidding proposals (%) *(Note 2)*	20% *(Note 3)*	33% *(Note 3)*	50% *(Note 3)*	60% *(Note 4)*

Notes:

(1) The contract value for maintenance and support services under Project A is excluded.

(2) Success rate of bidding proposals is calculated by total number of bidding proposals awarded over total number of bidding results received by our Group during the period/year.

(3) As at 31 March 2012 and 31 March 2013, there was no bidding proposal pending tendering result. As at 31 March 2014, there were five bidding proposals pending tendering results, which are excluded from the calculation.

(4) As at the Latest Practicable Date, there were ten bidding proposals with the contract values of HK$1 million or above pending tendering results, which are excluded from the calculation.

The Disposal

During the year ended 31 March 2013, we decided to discontinue our IT infrastructure solutions business in the PRC market and disposed of ICO Technology (China) on 1 April 2013 so that we can concentrate on our IT infrastructure solutions business in Hong Kong. For details of the Disposal, please refer to the section headed "History, reorganisation and Group structure" of this prospectus.

Deteriorating financial performance

We recorded a revenue of approximately HK$220.7 million, HK$196.2 million and HK$190.0 million for each of the three years ended 31 March 2012, 2013 and 2014 respectively. We experienced a decrease in revenue as (i) certain IT application and solution development projects were only at their early stages in 2013 and subsequently less turnover were recognised throughout the year ended 31 March 2014; and (ii) there was a decrease in the provision of our secondment services to one of our top five customers. Our revenue also decreased from approximately HK$94.7 million for the six months ended 30 September 2013 to approximately HK$88.7 million for the six months ended 30 September 2014. The decrease was mainly due to (i) we allocated additional numbers of technical staff to prepare the bidding for a government tender as referred in the paragraph "Recent development subsequent to the Track Record Period" in the section headed "Financial information" in this prospectus; (ii) there were delays in the tender awarding process of IT application and solution projects from government and statutory bodies; and (iii) one of our top five customers has a non-annual purchase cycle for IT infrastructure solutions and placed its order at different periods each year.

During the Track Record Period, our Group also recorded a decrease in gross profit margin of secondment services, maintenance and support services and IT infrastructure solutions, net profits, operating cash flows, and cash and cash equivalents. Please refer to "Selected financial information" in this section for details. From 1 April 2014 and up to the Latest Practicable Date, we have been awarded ten IT application and solution development projects. In particular, we partnered with the PRC Partner and were awarded a tender for the supply of an entry/exit control system from a government department in Hong Kong in November 2014 for an IT application and solution development and maintenance services project ("Project A"). Pursuant to the subcontractor contract between our Group and the PRC Partner, the total subcontracting revenue to be recognised by our Group under Project A is expected to be over HK$900 million.

As revenue derived from IT application and solution development segment is recognised using the percentage of completion method, there are no specific milestones our Group shall meet in order to recognise the revenue from Project A. However, based on the implemental schedule of Project A and the available resources of our Group, we estimate that approximately 15%, 21% and 6% of the subcontracting revenue of Project A will be recognised as revenue by our Group for the years ending 31 March 2015, 2016 and 2017 respectively. Accordingly, our overall revenue and gross profit for the years ending 31 March 2015, 2016 and 2017 will increase as a result of Project A. However, the gross profit margin of our Group may be decreased during such periods as the estimated gross profit margin of Project A is lower than the historical average gross profit margin of the IT application and solution development segment. We expect to recognise the revenue generated from the provision of maintenance services under Project A, representing approximately 58% of the subcontracting revenue, during the years ending 31 March 2019 to 31 March 2027. Therefore, the proportion of revenue derived from the maintenance and support services segment to the total revenue of our Group will increase during such periods. Please refer to "Recent development subsequent to the Track Record Period" in this section for details.

MATERIAL NON-COMPLIANCE MATTERS

During the Track Record Period, there were certain incidents of material non-compliance with applicable laws and regulations, including non-compliances with the Inland Revenue Ordinance, the Predecessor Companies Ordinance and the Companies Ordinance, non-registration of leases in the PRC, and non-compliances with the tax law and regulations of the PRC. Please refer to the section headed "Legal compliance" under "Business" of this prospectus for details.

ICO Technology failed to comply with the borrowing covenant of a loan facility in maintaining a tangible net worth of HK$5 million at all times after the distribution of dividends as at 31 March 2012 because our Directors inadvertently overlooked the borrowing covenant when considering the declaration of dividends. The loan facility did not expressly stipulate that ICO Technology had to inform the bank of the breach. We did not inform the bank of the breach, nor did we receive any notice from the bank informing us they were aware of it. However, such breach had no significant financial impact on our Group's combined financial statements. In August 2012, the bank loan was fully repaid. We have adopted an internal control measure to ensure our compliance with our bank loan covenants in the future. Please refer to the section headed "Internal control" under "Business" of this prospectus for details.

SELECTED FINANCIAL INFORMATION

The following sets out selected items from the combined financial information extracted from the Accountants' Report set out in Appendix I to this prospectus and should be read in conjunction with it.

Selected combined statements of comprehensive income

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Turnover	220,687	196,152	189,984	94,654	88,715
Gross profit	48,675	45,360	39,027	19,238	20,712
Profit/(loss) for the year/period	16,129	12,797	630	1,725	1,910
Attributable to equity owners of our Company and non-controlling interests	16,085	12,792	610	1,627	1,860

Gross profit and gross profit margin by segments

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
		Gross profit margin		*Gross profit margin*		*Gross profit margin*		*Gross profit margin*		*Gross profit margin*
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
							(Unaudited)			
IT application and solution development	8,891	26.3	9,720	37.4	10,458	48.2	5,756	47.1	2,273	34.1
Secondment services	12,018	26.5	11,918	27.8	10,705	26.3	4,708	23.8	7,496	34.3
Maintenance and support services	6,366	37.5	7,522	40.0	6,454	32.9	3,248	36.4	4,339	43.7
IT infrastructure solutions	21,400	17.2	16,200	14.9	11,410	10.6	5,526	10.3	6,604	13.2
	48,675	22.1	45,360	23.1	39,027	20.5	19,238	20.3	20,712	23.3

Our gross profit margin on IT infrastructure solutions dropped from approximately 14.9% for the year ended 31 March 2013 to approximately 10.6% for the year ended 31 March 2014. This is due to the increase in direct labour cost as a result of the assignment of additional staff in certain IT infrastructure solution projects as there was a change in product mix from hardware product solutions to software product solutions.

Net profit

Our net profit decreased from approximately HK$12.8 million for the year ended 31 March 2013 to approximately HK$0.6 million for the year ended 31 March 2014 primarily due to the decrease in our gross profit by approximately HK$6.3 million resulted from the decrease in our turnover and the increase in general and administrative expenses including the listing expenses of approximately HK$7.4 million. Our net profit increased from approximately HK$1.7 million for the six months ended 30 September 2013 to approximately HK$1.9 million for the six months ended 30 September 2014. The change is due to the increase in gross profit and decrease in income tax expenses.

Selected cash flow items

	Year ended 31 March			Six months ended 30 September	
	2012	2013	2014	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Net cash generated from/(used in) operating activities	14,636	4,625	2,385	4,623	8,396
Net cash (used in)/generated from investing activities	(4,347)	(184)	3,518	3,546	(194)
Net cash used in financing activities	(2,520)	(8,276)	(13,496)	(11,986)	(3,785)
Cash and cash equivalents at the beginning of the year/period	17,610	25,418	21,598	21,598	14,005
Effect on changes in foreign exchange rate	39	15	—	2	—
Cash and cash equivalents at the end of the year/period	25,418	21,598	14,005	17,783	18,422

The declining operating cash flow during the three years ended 31 March 2014 was primarily attributable to the decrease in our turnover. Our operating net cash flow for the six months ended 30 September 2013 and 2014 has risen by about 81.6% mainly due to the increase in trade and other payables. The increase in net cash outflow from financing activities over the Track Record Period was mainly attributable to the payment of dividends.

As at 31 March 2012, 31 March 2013 and 31 March 2014, we had cash and cash equivalents of approximately HK$25.4 million, HK$21.6 million and HK$14.0 million respectively. As at 30 September 2013 and 30 September 2014, we had cash and cash equivalents of approximately HK$17.8 million and HK$18.4 million respectively.

Selected combined statements of financial position

	As at 31 March			As at 30 September
	2012	**2013**	**2014**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	1,901	837	1,220	1,162
Current assets	74,957	69,757	61,888	68,430
Non-current liabilities	(93)	(82)	(310)	(161)
Current liabilities	(49,607)	(34,162)	(38,778)	(43,551)
Net current assets	25,350	35,595	23,110	24,879
Total assets less current liabilities	27,251	36,432	24,330	26,041

Impact on our financial results due to expenses incurred in relation to the Listing

Our Directors estimate that the total listing expenses are approximately HK$19.2 million, of which approximately HK$12.2 million is chargeable to profit and loss account and approximately HK$7.0 million will be charged to equity upon Listing. We incurred approximately HK$7.4 million and approximately HK$1.2 million of listing expenses during the year ended 31 March 2014 and the six months ended 30 September 2014 respectively. We expect to incur an additional cost of approximately HK$3.6 million in the listing expenses for the year ending 31 March 2015. Expenses in relation to the Listing are non-recurring in nature.

Our Board wishes to inform our Shareholders and potential investors that our Group's financial performance for the year ended 31 March 2014 was affected by the expenses in relation to the Listing, and for the year ending 31 March 2015, it is expected to be significantly affected by the estimated expenses in relation to the Listing.

Key financial ratios

The following table sets out the key financial ratios for our Group during the Track Record Period:

	As at/for the year ended 31 March			As at/for the six months ended 30 September
	2012	2013	2014	2014
Current ratio	1.5	2.0	1.6	1.6
Quick ratio	1.5	2.0	1.6	1.6
Gearing ratio	36.9%	12.0%	15.9%	6.5%
Debt to equity ratio	N/A	N/A	N/A	N/A
Return on assets	21.0%	18.1%	1.0%	2.7%
Return on equity	59.4%	35.2%	2.6%	7.4%
Interest coverage	38.6	46.1	17.6	26.0

Return on assets

Return on assets for each of the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014 was approximately 21.0%, 18.1%, 1.0% and 2.7%, respectively.

Our return on assets decreased to approximately 1.0% for the year ended 31 March 2014 primarily due to the decrease in our net profit by approximately 95.1% from approximately HK$12.8 million for the year ended 31 March 2013 to approximately HK$0.6 million for the year ended 31 March 2014. The decrease in our net profit was primarily due to the decrease in our turnover of approximately HK$6.2 million and the increase in general and administrative expenses of approximately HK$8.2 million, in which HK$7.4 million were expenses in relation to the Listing. Our return on assets increased to approximately 2.7% for the six months ended 30 September 2014 primarily due to an increase in net profit of approximately HK$1.3 million as compared with that for the year ended 31 March 2014. This increase in net profit was primarily due to the decrease in the listing expenses incurred during the corresponding periods.

Return on equity

Return on equity was approximately 59.4%, 35.2%, 2.6% and 7.4% for each of the three years ended 31 March 2012, 2013 and 2014 the six months ended 30 September 2014 respectively.

Our return on equity decreased to approximately 2.6% for the year ended 31 March 2014, primarily due to the significant decrease in our net profit as discussed above. Our return on equity increased to approximately 7.4% for the six months ended 30 September 2014 primarily due to an increase in net profit.

OUR MAJOR CUSTOMERS AND SUPPLIERS

Customers

Our Group's customers include government and statutory bodies, financial institutions and general enterprises of various scales. For each of the three years ended 31 March 2012, 2013 and 2014, we had approximately 216, 198 and 137 customers respectively. For each of the three years ended 31 March 2012, 2013 and 2014, the revenue from our five largest customers accounted for approximately 53.4%, 53.8% and 49.8% of our revenue respectively, while the revenue from the largest customer accounted for approximately 17.5%, 16.2% and 14.5% of our revenue respectively. For the six months ended 30 September 2014, we had 109 customers. For the six months ended 30 September 2014, the revenue from our five largest customers accounted for approximately 55.2% of our revenue and the revenue from the largest customer accounted for approximately 18.6% of our revenue.

Relationship with Customer C (or Supplier B)

Customer C, a company incorporated in Hong Kong, is a group company of an international technology and consulting corporation based in the US. Customer C is both one of our top five customers and top five suppliers (Supplier B) during the Track Record Period. Being one of our top five customers, Customer C acted as the main contractor of IT application and solution development projects and maintenance and support projects and subcontracted work to our Group. On the other hand, we have entered into a business partner agreement with Supplier B and we purchased products from Supplier B for our provision of IT application and solution development services (other than the projects of Customer C) and IT infrastructure solutions.

The aggregate revenue derived from the provision of IT application and solution development services and maintenance and support services to Customer C by way of subcontracted work, accounted for approximately 10.5%, 10.3% and 9.6% of our revenue for each of the three years ended 31 March 2012, 2013 and 2014 and approximately 8.1% of our revenue for the six months ended 30 September 2014. The profit margin charged on Customer C during the Track Record Period and up to the Latest Practicable Date is comparable to our other customers. The cost of products purchased from Supplier B in association with our provision of IT application and solution development services and IT infrastructure solutions accounted for approximately 13.4%, 4.0%, 12.5% and 9.6% of our total cost of sales for the corresponding periods respectively.

Suppliers

Our suppliers are mainly hardware and software vendors or distributors in Hong Kong. During the Track Record Period, total purchases made from our top five suppliers accounted for approximately 47.3%, 50.1%, 56.1% and 54.0% of our total cost of sales for each of the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, respectively. Purchases from our largest supplier accounted for approximately 18.6%, 19.6%, 20.1% and 22.0% of our total cost of sales respectively for the same period.

None of our Directors, their respective close associates or any of our existing Shareholders who, to the best knowledge of our Directors, own more than 5% of the share capital of our Company, has any interest in any of our five largest customers or suppliers during the Track Record Period.

COMPETITIVE LANDSCAPE

The IT services and solutions industry in Hong Kong is highly competitive and fragmented with presence of both local and foreign service providers. There were about 12,035 IT services and solutions providers in Hong Kong in 2013. The majority of these providers are engaged in IT integration solution services with about 80% of them being enterprises with less than 20 employees. According to the Ipsos Report, the top five IT services and solutions providers only accounted for about 5.0% of the total market revenue in 2013. We have been in the industry for over 20 years and we were the fourth largest IT services and solutions provider in Hong Kong, representing a market share of approximately 0.4% in terms of revenue in 2013.

OUR COMPETITIVE STRENGTHS

Our Directors believe that our success is attributable to, among other things, the following competitive strengths: (1) we provide comprehensive IT solutions and services to cater for customers' needs; (2) we have well-established relationships with international IT product vendors; (3) we have a reputable and established customer base as well as solid relationships with business partners; and (4) we have an experienced management and professional team. Please refer to the paragraph headed "Our competitive strengths" under the section headed "Business" in this prospectus for further details.

BUSINESS OBJECTIVES, FUTURE PLANS AND USE OF PROCEEDS

Based on the Placing Price of HK$0.35 per Placing Share (being the mid-point of the indicative Placing Price range), we estimate that the net proceeds from the Placing (after deducting underwriting fees and estimated expenses in connection with the Placing) will be approximately HK$68.3 million. We intend to allocate the net proceeds from the Placing for the purposes and in the amounts set out below:

- 26% of the net proceeds, representing approximately HK$17.5 million, for purchasing new office premises as well as equipping and renovating our existing office premises;

- 21% of the net proceeds, representing approximately HK$14.3 million, for expanding our professional team and enhancing our service quality;

- 21% of the net proceeds, representing approximately HK$14.1 million, for growing our business strategically through merger, acquisition or business collaboration;

- 12% of the net proceeds, representing approximately HK$8.5 million, for expanding our IT application and solution development business;

- 7% of the net proceeds, representing approximately HK$4.9 million, for starting a research and development team;

- 3% of the net proceeds, representing approximately HK$2.2 million, for strengthening our marketing efforts; and

- 10% of the net proceeds, representing approximately HK$6.8 million, for working capital and other general corporate purposes.

Please refer to the paragraph headed "Business strategies" under the section headed "Business" and the paragraph headed "Use of proceeds" under the section headed "Future plans and use of proceeds" in this prospectus for further details.

SHAREHOLDERS INFORMATION

Our ultimate Controlling Shareholders, namely, Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam entered into the Confirmation Deed to acknowledge and confirm that among each of them that they are parties acting in concert, together controlling 75% interest in the share capital of our Company through BIZ Cloud, Cloud Gear, Friends True and Imagine Cloud. As a result, each of Mr. Lee, BIZ Cloud, Ms. Saetia Ladda (spouse of Mr. Lee), Mr. Chan, Cloud Gear, Mr. Yong, Friends True, Ms. Ma Kit Ling (spouse of Mr. Yong), Mr. Tam and Imagine Cloud will be deemed interested in 75% interest in the share capital of our Company upon completion of the Placing and the Capitalisation Issue.

MATERIAL ADVERSE CHANGE

Please refer to the listing expenses incurred or to be incurred as set out under the paragraph headed "Impact on our financial results due to expenses incurred in relation to the Listing" of this section.

Save for the above, our Directors confirm that there had been no other material adverse change in the financial or trading position of our Group since 30 September 2014, being the date to which our latest audited financial statements were prepared, and up to the date of this prospectus.

DIVIDENDS AND DIVIDEND POLICY

We do not have any pre-determined dividend distribution ratio. The declaration of future dividends will be subject to our Directors' decision and will depend on, among other things, our earnings, financial condition, cash requirements and availability, and any other factors that our Directors may consider relevant. Any final dividend for a financial year will be subject to our Shareholders' approval.

Dividends declared by our Group for each of the three years ended 31 March 2012, 2013 and 2014 were approximately HK$3.5 million, HK$3.6 million and HK$15.2 million respectively. On 26 February 2015, our Group declared a dividend of HK$9,980,000 to our then existing Shareholders. As at the Latest Practicable Date, unpaid dividends amounted to approximately HK$10,205,000 which will be settled by internal resources before Listing.

RISK FACTORS

There are risks involved in our operations, many of which are beyond our control. Such risks include, among others, cost overruns or delays that we may encounter in our IT application and solution development projects; and our reliance on Customer C who acts as a main contractor of IT application and solution development projects and maintenance and support projects where we act as subcontractor as well as a supplier of hardware and software. Further, our subcontractor contract with the PRC Partner may be terminated if there is a change of control of ICO HK and the PRC Partner reasonably believes that such change of control may materially affect the performance by ICO HK of its obligations under the subcontractor contract.

A detailed discussion of the risk factors that we believe are particularly relevant to us is set out in the section headed "Risk factors" in this prospectus.

RECENT DEVELOPMENT SUBSEQUENT TO TRACK RECORD PERIOD

The following is a summary of our selected unaudited financial information for the nine months ended 31 December 2014, which was reviewed by the reporting accountants in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Based on the unaudited management accounts of our Group for the nine months ended 31 December 2014, our turnover increased by approximately 105.7% from approximately HK$130.8 million for the nine months ended 31 December 2013 to approximately HK$269.0 million for the nine months ended 31 December 2014.

We recorded gross profit of approximately HK$27.9 million and HK$43.8 million, representing a gross profit margin of approximately 21.3% and 16.3% for the nine months ended 31 December 2013 and 2014 respectively.

Our Directors confirm that we did not have any material non-recurring income or expenses for the nine months ended 31 December 2014 save for expenses incurred in relation to the Listing. As at Latest Practicable Date, approximately 92.4% of outstanding trade debtors as at 30 September 2014 have been subsequently settled. As at the Latest Practicable Date, our Group has no bank borrowings and the unutilised banking facilities amounted to approximately HK$5.1 million.

As at the Latest Practicable Date, our Group had a total of 12 IT application and solution development projects on hand (including projects that have commenced but not yet completed as well as projects that have been awarded to us but not yet commenced). The total contract value of these projects (including Project A) was approximately HK$443.7 million. From 1 April 2014 and up to the Latest Practicable Date, we have been awarded six IT application and solution development projects with contract sum of over HK$1 million individually. The six contracts have a total contract sum of approximately HK$431 million, of which five contracts were awarded with the end customers being government bodies and the total contract sum is approximately HK$429 million, and one contract was awarded by an existing customer from private sector. The duration of these six projects ranged from 8 to 40 months (including warranty period). The total unrecognised revenue of these six projects was approximately HK$286 million as at 31 January 2015. As at the Latest Practicable Date, we have commenced work for these six projects.

Project A

Our Group partnered with the PRC Partner and submitted a tender for Project A in February 2014. We had gone through several key milestones including technical assessment, price assessment, financial capability assessment and negotiations before the award of Project A in November 2014. The PRC Partner is the main contractor under Project A and our Group is the sole subcontractor under it. The formal contract between the PRC Partner and the government (the "Main Contract") became effective following the fulfilment of all the conditions specified in the notification of conditional acceptance. Our Group has commenced work on Project A as at the Latest Practicable Date. The duration for the provision of IT application and solution development services is expected to be about 40 months (including a warranty period of 12 months) and the provision of maintenance services is for a period of nine years.

Due to the foreseeable demand for additional manpower for Project A, we have already increased the scale of recruitment in the second quarter of 2014. We have recruited an additional 34 full-time staff from 1 April 2014 to 30 November 2014, and will continue to recruit additional staff, mainly with technical knowledge, according to the estimated human resources plan. To the best knowledge of our Directors, the PRC Partner, together with us, was the only tenderer at the later stage of the tender process. Therefore, our Directors considered that we had a high chance to be awarded of the tender. We therefore began recruiting additional staff before Project A was awarded in order to meet the agreed schedule and had to have enough manpower to kick off the project immediately upon the award. Such early recruitment was not requested by the government. Should we not begin the recruitment process ahead of the award, we would not be able to meet the manpower demand. Our Directors opine that this kind of arrangement is in line with the industry norm. Had the tender not been awarded, the surplus staff, if any, would be disposed of through (i) natural wastage; (ii) internal redeployment of staff to other IT application and solution development projects or other business segments; and (iii) dismissal upon the expiry of the relevant employment agreements.

Apart from the committed human resources, our Group did not make or enter into any commitment on the financial resources under both the Main Contract and the subcontractor contract in relation to Project A.

We are experienced in delivering IT application and solution development projects of various scales and nature including projects for the government of HKSAR. However, Project A is the largest project we have undertaken in terms of contract value since we commenced our business.

Based on the total estimated resources planning, the estimated gross profit margin of the entire Project A is about 20%, which is lower than the historical average gross profit margin of both IT application and solution development segment and the maintenance and support services segment during the Track Record Period. Project A has a lower profit margin because we adopted a competitive pricing strategy during the tendering process to achieve winning of the tender. Further, a large portion of IT application and solution development services under Project A contains the procurement of IT products provided by third parties which we are unable to charge a high premium. We also estimate that the gross profit margin of the maintenance and support segment will be higher than that of the IT application and solution development segment. Accordingly, we expect that the overall gross profit margin of the IT application and solution segment for the three years ending 31 March 2015, 2016 and 2017 will be decreased as compared to that of the Track Record Period. Although our overall gross profit may be increased, the gross profit margin of our Group will be decreased during such periods. There will be an expected decrease in the gross profit margin of the maintenance and support services segment during the years ending 31 March 2019 to 2027 as compared to that of the Track Record Period.

Our Group has commenced work on Project A in November 2014. We expect to record approximately 15%, 21% and 6% of the subcontracting revenue for the years ending 31 March 2015, 2016 and 2017. Our progress of work under Project A was in accordance with the schedule and timeline as at the Latest Practicable Date. An unaudited revenue of approximately HK$96.9 million was derived from Project A up to 31 December 2014 and was fully settled as at the Latest Practicable Date. For further details regarding the financial implication of Project A, please refer to the paragraph headed "Financial implication of Project A" under the section headed "Financial information" in this prospectus.

Our Directors confirm that (i) there has been no material adverse change in the general economic and market conditions, legal, the industry and the operating environment in which our Group operates that materially and adversely affected our Group's financial or operating position since 30 September 2014 and up to the date of this prospectus, (ii) there has been no other material adverse change in the trading and financial positions or prospects of our Group since 30 September 2014 and up to the date of this prospectus, and (iii) no event has occurred since 30 September 2014 that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

PLACING STATISTICS

	Based on the indicative Placing Price of HK$0.3 per Share	**Based on the indicative Placing Price of HK$0.4 per Share**
Number of Placing Shares	250,000,000	250,000,000
Board lot	8,000	8,000
Market capitalisation *(Note 1)*	HK$300 million	HK$400 million
Unaudited pro forma adjusted combined net tangible assets attributable to the equity owners of our Company per Share *(Note 2)*	HK$0.078	HK$0.102

Notes:

1. The calculation of market capitalisation at the Placing Price is based on 1,000,000,000 Shares expected to be in issue immediately following completion of the Placing and the Capitalisation Issue.

2. The combined net tangible asset per Share is based on the combined net tangible asset attributable to equity owners of our Company, estimated net proceeds from the Placing after deduction of the estimated underwriting fees and other related expenses payable by our Company, and 1,000,000,000 Shares expected to be in issue immediately following completion of the Placing and the Capitalisation Issue.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Save as disclosed in the section headed "Financial information" in the prospectus, our Directors have confirmed that, as at the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

"Articles"	the articles of association of our Company, a summary of which is set out in Appendix III to this prospectus
"associate(s)"	has the same meaning as defined in the GEM Listing Rules
"BIZ Cloud"	BIZ Cloud Limited, a company incorporated in the BVI on 22 April 2013 with limited liability, which is wholly-owned by Mr. Lee
"Board"	the board of Directors
"business day(s)"	any day(s) (excluding Saturday(s), Sunday(s) and public holidays) in Hong Kong on which licensed banks in Hong Kong are open for banking business through their normal business hours
"BVI"	the British Virgin Islands
"CAGR"	compound annual growth rate, a method of assessing the average growth of a value over time
"Capitalisation Issue"	the issue of 749,999,000 Shares to be made upon the capitalisation of certain sums standing to the credit of the share premium account of our Company referred to in the paragraph headed "Resolutions of the Shareholders" in Appendix IV to this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"close associate(s)"	has the meaning as defined in the GEM Listing Rules
"Cloud Gear"	Cloud Gear Limited, a company incorporated in the BVI on 15 February 2013 with limited liability, which is wholly-owned by Mr. Chan

"Companies Law"	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented and/or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time
"Company" or "we" or "us"	ICO Group Limited, a company incorporated in the Cayman Islands on 26 April 2013 as an exempted company with limited liability and registered in Hong Kong as a non-Hong Kong company under Part XI of the Predecessor Companies Ordinance
"Confirmation Deed"	the confirmation deed dated 27 February 2015, entered into by our ultimate Controlling Shareholders, namely Mr. Lee, Mr. Yong, Mr. Chan and Mr. Tam to acknowledge and confirm, among other things, that they were parties acting in concert in relation to our Group, details of which are set out in the paragraph "Parties acting in concert" in the section headed "History, reorganisation and Group structure" of this prospectus
"Controlling Shareholders"	has the meaning ascribed to it under the GEM Listing Rules and, in the context of our Company, means each of Mr. Lee, Mr. Yong, Mr. Chan and Mr. Tam, our ultimate "Controlling Shareholders", and the companies through which they hold equity interest in our Company, namely BIZ Cloud, Cloud Gear, Friends True and Imagine Cloud, details of their shareholdings are set forth in the section headed "Substantial Shareholders" in this prospectus and the section headed "Interests and short positions of Directors in the share, underlying shares or debentures of our Company and its associated corporations" in Appendix IV to this prospectus
"Deed of Indemnity"	the deed of indemnity dated 9 March 2015 executed by our Controlling Shareholders in favour of our Company, details of which are set out in the section headed "Other Information — Estate duty and tax indemnity" in Appendix IV to this prospectus
"Deed of Non-competition"	the deed of non-competition dated 9 March 2015 executed by our Controlling Shareholders with our Company (for itself and on behalf of our subsidiaries), details of which are set out in the paragraph "Non-Competition undertakings by Controlling Shareholders" in the section headed "Relationship with the Controlling Shareholders and non-competition undertakings"

"Digital Faith"	Digital Faith International Limited, a company incorporated in the BVI on 2 January 2002 with limited liability and an indirect wholly-owned subsidiary of our Company
"Director(s)"	the director(s) of our Company
"Disposal"	the disposal of ICO Technology (China) on 1 April 2013 by our Group, details of which are set out in the section headed "History, reorganisation and Group structure" of this prospectus
"Friends True"	Friends True Limited, a company incorporated in the BVI on 28 February 2013 with limited liability, which is wholly-owned by Mr. Yong
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Great Talent"	Great Talent Holdings Limited, a company incorporated in the BVI on 10 February 2000 with limited liability which was beneficially owned by Mr. Yong and Mr. Tam as to 75% and 25% respectively prior to the Reorganisation, and a direct wholly-owned subsidiary of our Company
"Group"	our Company and its subsidiaries, or any of them or, where the context so required, in respect of the period before our Company became the holding company, the present subsidiaries of our Company or, where the context otherwise specifies or so requires in respect of financial or accounting information, our Company and its subsidiaries
"HK Legal Advisers"	Tso Au Yim & Yeung Solicitor, the legal advisers to our Company as to Hong Kong law
"HKEx"	Hong Kong Exchanges and Clearing Limited
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"ICO Group (HK)"	ICO Group Holdings Limited (揚科集團有限公司) (formerly known as ICO Group Limited prior to 8 August 2013), a company incorporated on 6 May 2013 in Hong Kong with limited liability and an indirect wholly-owned subsidiary of our Company

"ICO HK"	ICO Limited (揚科有限公司), a company incorporated in Hong Kong with limited liability on 29 October 1992 and an indirect wholly-owned subsidiary of our Company
"ICO Holdings"	ICO Holdings Limited (揚科控股有限公司), a company incorporated in Hong Kong on 15 March 2000 with limited liability and an indirect wholly-owned subsidiary of our Company
"ICO Investments"	ICO Investments Limited (揚科投資有限公司), a company incorporated in Hong Kong on 18 April 2013 with limited liability and an indirect wholly-owned subsidiary of our Company
"ICO Technology"	ICO Technology Limited (揚科資訊科技有限公司) (formerly known as Image Connection Limited prior to 16 June 2006), a company incorporated in Hong Kong on 26 September 1995 with limited liability owned by Wide Faith and Raceline as to 51% and 49% respectively, and a non-wholly owned subsidiary of our Company
"ICO Technology (China)"	ICO Technology (China) Limited (揚科資訊科技(中國)有限公司), a company incorporated in Hong Kong on 13 October 2008 with limited liability which was disposed of by our Group on 1 April 2013
"Imagine Cloud"	Imagine Cloud Limited, a company incorporated in the BVI on 22 April 2013 with limited liability, which is wholly-owned by Mr. Tam
"Independent Third Party(ies)"	independent third party(ies) who are not connected persons of our Company (as defined under the GEM Listing Rules)
"Ipsos"	Ipsos Business Consulting, an industry expert engaged by our Company to prepare the Ipsos Report and an Independent Third Party
"Ipsos Report"	an industry report prepared by Ipsos which was commissioned by us in relation to, among other things, the IT industry in Hong Kong
"IRD"	the Inland Revenue Department of Hong Kong
"Latest Practicable Date"	2 March 2015, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information in this prospectus
"Lead Manager" or "Sole Lead Manager"	Quam Securities Company Limited
"Listing"	the proposed listing of the Shares on GEM

"Listing Date"	the date on which dealings in the Shares first commence on GEM
"Macau"	the Macao Special Administrative Region of the PRC
"Mr. Chan"	Mr. Chan Kwok Pui (陳國培), a non-executive Director and a Controlling Shareholder
"Mr. Ho"	Mr. Ho Chak Keung (何澤強), a senior management of our Company and a director of ICO Technology
"Mr. Lee"	Mr. Lee Cheong Yuen (李昌源), an executive Director, our chief executive officer and a Controlling Shareholder
"Mr. Leung"	Mr. Leung Man Lun Walter (梁萬倫), a senior management of our Company and a director of ICO Technology
"Mr. Tam"	Mr. Tam Kwok Wah (譚國華), a non-executive Director and a Controlling Shareholder
"Mr. Yong"	Mr. Yong Man Kin (楊敏健), an executive Director, our chairman and a Controlling Shareholder
"Placing"	the conditional placing by the Underwriter of the Placing Shares for cash at the Placing Price, as further described under the section headed "Structure and conditions of the Placing" in this prospectus
"Placing Price"	the placing price for each Placing Share (exclusive of any brokerage fee, SFC transaction levy and Stock Exchange trading fee), which is currently expected to be not more than HK$0.4 per Placing Share and not less than HK$0.3 per Placing Share, such price to be determined on or before the Price Determination Date
"Placing Share(s)"	the 250,000,000 new Shares being offered by our Company for subscription at the Placing Price under the Placing
"Price Determination Date"	Wednesday, 11 March 2015, being the date on which the Placing Price will be fixed for the purpose of the Placing
"PRC"	the People's Republic of China, save that, for the purpose of this prospectus and unless the context otherwise requires, references in this prospectus to the PRC do not include Hong Kong, Macau and Taiwan
"PRC Legal Advisers"	Zhong Lun Law Firm, the legal advisers to our Company as to PRC law

"PRC Partner"	a state-owned joint stock company established in the PRC, the shares of which are listed on the A-share market of the Shanghai Stock Exchange
"Predecessor Companies Ordinance"	the Company Ordinance (Chapter 32 of the Laws of Hong Kong) as in force before 3 March 2014
"Raceline"	Raceline Holdings Limited, a company incorporated in the BVI on 8 June 2006 with limited liability owned by Mr. Leung and Mr. Ho as to 60% and 40% respectively, which holds 49% of the total issued share capital of ICO Technology as at the Latest Practicable Date
"Reorganisation"	the corporate reorganisation in preparation for Listing as more particularly described in the section headed "Corporate Reorganisation" in Appendix IV to this prospectus
"SAFE"	國家外滙管理局 (State Administration of Foreign Exchange)
"SFC"	the Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	share(s) of HK$0.01 each in the share capital of our Company
"Shareholder(s)"	holder(s) of the Shares
"Shenzhen Kai Gang"	深圳凱港科技有限公司 (Shenzhen Kai Gang Technology Limited*), a wholly foreign owned enterprise incorporated in the PRC with limited liability on 6 March 2009 and a subsidiary of ICO Technology (China) which was disposed of by our Group on 1 April 2013 under the Disposal
"Sponsor" or "Sole Sponsor"	New Spring Capital Limited, a corporation licensed by the SFC to carry on type 6 (advising on corporate finance) regulated activity under the SFO, being the sole sponsor of the Listing
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholder(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Tian Li Shi"	天利時軟件開發(深圳)有限公司 (Tian Li Shi Software Development (Shenzhen) Limited*), a wholly foreign owned enterprise incorporated in the PRC with limited liability on 1 September 2009 and an indirect wholly-owned subsidiary of our Company

"Time Profit"	Time Profit Group Limited, a company incorporated in the BVI on 14 April 2011 with limited liability wholly-owned by Mr. Leung, which owned 30% of the total issued share capital of ICO Technology (China) prior to the Disposal
"Track Record Period"	the three financial years ended 31 March 2014 and the six months ended 30 September 2014
"Underwriter"	the Underwriter of the Placing named in the paragraph headed "Underwriter" in the section headed "Underwriting" in this prospectus
"Underwriting Agreement"	the underwriting agreement dated 9 March 2015 relating to the Placing and entered into by, among others, our Company, the Lead Manager and the Underwriter, details of which are set out in the section headed "Underwriting" of this prospectus
"US"	the United States of America
"Value Digital"	Value Digital Limited, a company incorporated in the BVI on 17 May 2002 with limited liability and an indirect wholly-owned subsidiary of our Company
"Wide Faith"	Wide Faith Management Limited, a company incorporated in the BVI on 5 January 2000 with limited liability and an indirect wholly-owned subsidiary of our Company
"Wide Ocean"	Wide Ocean Technologies Limited (宏海科技有限公司), a company incorporated in the BVI on 1 February 2000 with limited liability, which was owned by Mr. Lee and Mr. Chan as to 78% and 22% respectively prior to the Reorganisation, and is a direct wholly-owned subsidiary of our Company
"HK$" and "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"US$"	United States dollars, the lawful currency of the US
"%"	per cent

If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company names in Chinese or another language which are marked with "" and the Chinese translation of company names in English which are marked with "*" is for identification purpose only.*

This glossary contains explanations of certain terms, definitions and abbreviations used in this prospectus in connection with our Group and our business. The terms and their meanings may not correspond to standard industry meaning or usage of those terms.

"AIX"	Advanced Interactive eXecutive, a series of proprietary UNIX operating systems developed and sold by IBM for several of its computer platforms
"business intelligence"	a set of techniques and tools for the transformation of raw data into meaningful and useful information for business analysis and decision making purposes
"Cloud" or "Cloud computing"	an internet-based computing in which large groups of remote servers are networked to allow centralised data storage, and online access to computer services or resources
"CPU"	central processing unit
"database"	a structured and organised collection of information and data stored in computer systems that can be easily accessed, managed and updated
"database management"	a set of techniques which make use of databases to store, retrieve, add, delete, modify, and manage access of data
"enterprise server"	a type of computer server system which is designed for corporate use
"ESS"	a computer imaging system designed for handling of signature images
"hardware"	physical elements that constitute a computer system, such as CPU, monitor, mouse, keyboard, hard disk, etc.
"high availability"	a system design approach and associated service implementation that ensures a prearranged level of operational performance will be met during a contractual measurement period
"ISO"	International Organization for Standardization, a non-governmental organisation that develops and publishes international standards
"IT"	information technology
"IT integration solution"	a design and implementation service in which different computing systems and software applications are either physically or functionally linked together to act as a coordinated whole
"IT infrastructure solutions"	the assessment, design and implementation of IT infrastructure of customers through third party products
"Linux"	a free and open-source UNIX-type operating system

"local area network"	a computer network that interconnects computers in a limited area such as a home, school, computer laboratory, or office building using network media
"network"	the linking of a number of devices, such as computers, workstations and printers, into a network (system) for the purpose of sharing resources and information
"operating system"	a master control programme that manages and coordinates a computer's internal functions and provides a means of control to a computer's operations and file system
"QM"	quality management
"QMS"	quality management system
"recovery system"	a system that allows the user to revert their computer's state (including system files, installed applications, Windows registry, and system settings) to that of a previous point in time, which can be used to recover from system malfunctions or other problems
"router"	a system that controls message distribution between multiple optional paths in a network, which uses routing protocols to gain information about the network, routing metrics and algorithms to select the "best route"
"server"	a running instance of application software capable of accepting requests from the client and giving responses accordingly
"software"	any set of machine-readable instructions that directs a computer's processor to perform specific operations
"storage"	an electronic memory device for storing data
"storage system"	a computer hardware consisting of computer components and recording media used to retain digital data
"topology"	the arrangement of the various elements (links, nodes, etc) of a computer network
"UNIX"	a trademark of a multitasking, multiuser computer operating system. Originally, Unix was developed by Bell Laboratories. Nowadays, Unix exists in many variants, such as Apple's OS X, Red Hat Linux, etc.
"virtualisation"	the act of creating a virtual (rather than actual) version of something, including but not limited to a virtual computer hardware platform, operating system, storage device, or computer network resources

"virtual tape library backup solution"	a data storage virtualisation technology used typically for backup and recovery purposes
"Windows"	an operating system developed by Microsoft Corporation, a US-based multinational computer technology corporation

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- the business strategies and plans of operations;
- the capital expenditure plans;
- the amount and nature of, and potential for, future development of our Group's business;
- the operations and business prospects;
- the dividend policy;
- the projects under planning;
- the regulatory environment of the relevant industry in general;
- the future development in relevant industry; and
- other factors referenced in this prospectus, including, without limitation, under the sections entitled "Risk factors", "Industry overview", "Business", and "Financial information".

The words "anticipate", "believe", "could", "expect", "intend", "may", "plan", "project", 'seek", "will", "would" and similar expressions, as they relate to us, are intended to identify a number of these forward-looking statements. These forward-looking statements reflecting our Group's current views with respect to future events are not a guarantee of future performance and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this prospectus. One or more of these risks or uncertainties may materialise, or underlying assumptions may prove incorrect.

Subject to the requirements of the GEM Listing Rules, our Company does not intend to publicly update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way our Company expects, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

Potential investors should consider carefully all the information set out in this prospectus and, in particular, should consider and evaluate the following risks associated with an investment in our Company before making any investment decision in relation to our Company. The trading price of the Shares could decline due to any of these risks, and you may lose part or all of your investment.

RISKS RELATING TO OUR GROUP

We may encounter cost overruns or delays in our IT application and solution development projects, which may materially and adversely affect our business, financial position and results of operation

We generally provide IT application and solution development services on a project basis. Some IT application and solution development projects are awarded through competitive tendering process. We have to estimate the time and costs needed for the implementation of these IT application and solution development projects in order to determine the quotations. There is no assurance that the actual time taken and costs incurred would not exceed our estimation. We expect to continue bidding on fixed-price contracts, the terms of which normally require us to complete a project for a fixed price, increasing the possibility of exposing us to cost overruns and resulting in lower profits or losses in a project. During the Track Record Period, our Group has experienced cost overrun on one IT application and solution development project and recognised a loss of approximately HK$4.2 million for the year ended 31 March 2012 due to the increase in direct labour cost from assigning additional staff to the project; other than this, our Group has not experienced any other material cost overruns.

The actual time taken and cost incurred by us in completing IT application and solution development projects may be affected by many factors, including technical difficulties, integration with third party vendors' products, and other unforeseeable problems and circumstances. Any one of these factors can cause delays in the completion of project or cost overruns.

Most of our IT application and solution development projects are subject to specific completion schedules and some of our customers are entitled to claim liquidated damages from us if we do not meet the schedules. Liquidated damages are typically levied at an agreed rate for each day or part of a day for such delay. Failure to meet the schedule requirements of our contracts may result in a significant number of liquidated damages claims, other contract liabilities and disputes with the customers or even the termination of relevant contracts.

There is no guarantee that we would not encounter cost overruns or delays in our current and future IT application and solution development projects. Should such problems occur, our business, financial position and results of operations would be materially and adversely affected.

We rely on Customer C (also known as Supplier B) in relation to the supply of products for our provision of IT application and solution development services and IT infrastructure solutions, and any shortage or delay in the supply of products from Supplier B or any deterioration of business relationship with Customer C may materially or adversely affect our results of operations

Customer C was one of our top five customers and top five suppliers during the Track Record Period. During the Track Record Period, Customer C acted as the main contractor of IT application and solution development projects and maintenance and support projects, and subcontracted work to our Group; hence, Customer C is a customer of our Group under the IT application and solution development services and maintenance and support services segments. On the other hand, we have entered into a business partner agreement with Supplier B and we purchased branded hardware and software from Supplier B for our provision of IT application and solution development services (as main contractor) and IT infrastructure solutions. The aggregate revenue derived from the provision of IT application and solution development services and maintenance and support services to Customer C by way of subcontracted work, accounted for approximately 10.5%, 10.3% and 9.6% of our revenue for each of the three years ended 31 March 2012, 2013 and 2014 and 8.1% of our revenue for the six months ended 30 September 2014 respectively. The cost of products purchased from Supplier B in association with our provision of IT application and solution development services and IT infrastructure solutions accounted for approximately 13.4%, 4.0% and 12.5% of our total cost of sales for each of the three years ended 31 March 2012, 2013 and 2014 and 9.6% of our total costs of sales for the six months ended 30 September 2014 respectively.

Although our Group will continue to strive to act as a main contractor for our IT application and solution development services and endeavour to diversify our product portfolio for IT infrastructure solutions, our Directors expect that revenue derived from Customer C from the provision of IT application and solution development services and maintenance and support services, and the products purchased from Supplier B or its distributors in association with our provision of IT application and solution development and IT infrastructure solutions will continue to account for a relatively large portion of our Group's revenue or costs of sales in the foreseeable future.

Furthermore, the business partner agreement with Supplier B is for a term of one year and is subject to automatic renewal for a two-year term upon expiry. There is no assurance that there will be no deterioration in our relationship with Customer C and/or Supplier B and it will not terminate the business partner agreement with our Group in the future.

Any shortage of or delay in the supply of products from Supplier B may materially and adversely affect our results of operations. There is also no assurance that there will be no deterioration in our relationship with Customer C which could affect our ability to be engaged by Customer C as its subcontractor in our provision of IT application and solution development and maintenance and support services. Therefore, if Customer C does not subcontract work to our Group, or if our Group is not able to renew the business partner agreement, or if the business partner agreement is terminated by Supplier B, our Group's business, financial position and results of operations may be adversely affected.

We may record net cash outflows during the implementation of IT application and solution development projects. We may not have sufficient working capital if we take up too many significant projects in the future, which may affect our financial position

Net cash outflows may be recorded during the implementation of IT application and solution development projects as we are required to pay project expenditures before the actual receipt of payments from customers. As the projects progress, the cash outflows may further increase, and so will the burden on our working capital. We may also be required to place a security sum with the customer to ensure our due performance during the term of the contract and the security sum will not be released until the completion of the project. If we take up too many significant projects during a particular period of time and we do not have sufficient working capital to pay project expenditures or if our customers do not release the security sum to us, our financial condition, including cash flow may be adversely affected.

Our contracts are project basis which creates uncertainty as to our future revenue streams

Our IT application and solution development services are conducted on a project-by-project basis which is not recurrent in nature. Our customers may subsequently engage us in enhancement works or conducting upgrades for the systems developed by us in previous projects. Our customers may also engage us to develop new IT systems after the retirement of outdated systems. However, there is no assurance that the customers will continue to provide us with new businesses after completion of our projects.

After the completion of the IT application and solution development projects, we usually provide maintenance and support services to our customers under separate agreements. We cannot guarantee that these maintenance and support service agreements will be renewed in the future nor can we guarantee that we shall be able to enter into new agreements with our customers.

As to secondment services, the terms of our agreements with our customers generally ranged from 4 months to 18 months. We also cannot guarantee that our customers will renew the agreements with us.

The contracts are project basis which creates uncertainty as to future revenue streams. In the event that we are unable to renew the existing agreements or secure new engagements with customers or that customers substantially reduce their purchase orders, our business and future revenue will likely be adversely affected.

Our revenue from our top five customers accounted for approximately 53.4%, 53.8%, 49.8% and 55.2% of our revenue for each of the three years ended 31 March 2012, 2013 and 2014 and for the six months ended 30 September 2014 respectively, and any decrease in our sales to any one of them would affect our operations and financial results

Our revenue from our top five customers for each of the three years ended 31 March 2012, 2013 and 2014 accounted for approximately 53.4%, 53.8% and 49.8% respectively of our total revenue, while our revenue from our largest customer accounted for approximately 17.5%, 16.2% and 14.5% respectively of our total revenue in the corresponding period. Likewise, our revenue from our top five customers for the six months ended 30 September 2014 accounted for approximately 55.2% of our total revenue. Meanwhile, our revenue from our largest customer accounted for approximately 18.6% of our total revenue for the six months ended 30 September 2014.

As Project A was awarded to us in November 2014, the PRC Partner is likely to become the largest customer in the years ahead and the percentage of revenue from our Group's top five customers shall increase significantly given the size of Project A. We estimate that our Group's revenue from the largest customer will increase to over 35% of total revenue in each of the two years ending 31 March 2015 and 2016 respectively.

It is not assured that we can successfully expand our customer base and secure new customers given the competitiveness of the industry in which we operate. Reduction in the demand for or the termination of our services by our top five customers may cause material fluctuations or a decrease in our revenue which in turn may adversely affect our business, financial condition and results of operation.

Our Group's financial performance deteriorated during the Track Record Period. Should our Group's financial performance deteriorate in the future as a result of the early termination or material delays of Project A, the liquidity, financial position, business operations and prospect of our Group will be adversely affected and investors will be exposed to high risk of investment in our Company

Our Group's financial performance deteriorated during the Track Record Period. Our total turnover decreased by approximately HK$24.5 million, or approximately 11.1% from approximately HK$220.7 million for the year ended 31 March 2012 to approximately HK$196.2 million for the year ended 31 March 2013. Our revenue decreased by approximately 3.1% from HK$196.2 million for the year ended 31 March 2013 to approximately HK$190.0 million for the year ended 31 March 2014. The decrease in revenue was mainly attributable to (i) certain IT application and solution development projects were only at their early stages during the year ended 31 March 2013 and subsequently less turnover were recognised throughout the year ended 31 March 2014; and (ii) there was a decrease in the provision of our secondment services to one of our top five customers. Our revenue decreased by approximately 6.8% from HK$94.7 million for the six months ended 30 September 2013 to approximately HK$88.7 million for the six months ended 30 September 2014. The decrease was mainly due to (i) there were delays in the tender awarding process of IT application and solution projects; and (ii) one of our top five customers has a non-annual purchase cycle for IT infrastructure solutions and placed its orders at different periods each year.

We also suffered from (i) decreasing gross profit margin of IT infrastructure solutions which was mainly due to the increase in direct labour cost as a result from the assignment of additional staff in certain IT infrastructure solution projects as there was a change in product mix from hardware product solutions to software product solutions; (ii) decreasing gross profit margin of maintenance and support services due to the completion of a high-premium-charged maintenance contract during the period; (iii) reducing net profits, operating cash flow, and cash and cash equivalents as a result of the decrease in turnover.

The financial performance of our Group is expected to improve in light of Project A. However, if there is early termination, suspension, delay or postponement of Project A, our revenue, gross profit and financial performance will be adversely affected. In such case, we may not be able to achieve a level of profit comparable to that of the Track Record Period in the future. Should the early termination or material delays of Project A result in deterioration of our Group's financial performance, the liquidity, financial position, business operations and prospect of our Group will be adversely affected and investors will be exposed to high risk of investment in our Company.

The subcontractor contract with the PRC Partner for Project A may be terminated if there is a change of control of ICO HK

Pursuant to the subcontractor contract with the PRC Partner for Project A, the PRC Partner may terminate the subcontractor contract if there is a change of control of ICO HK and the PRC Partner reasonably believes that such change of control may materially affect the performance by ICO HK of its obligations under the subcontractor contract.

A "change of control" occurs if either (i) the majority of shares (i.e. more than 50% of the shares) carrying a right to vote in ICO HK or its holding company (i.e. Wide Faith) are acquired by a person who is not at the date of the subcontractor contract a majority shareholder, or (ii) there is a change in the ownership of the legal power to direct, or determine the direction of, the general management and policies or its holding company.

The termination of the subcontractor contract will have a significant impact on our Group's business and prospect.

Our future projects may not have a size comparable to that of Project A

The total subcontracting revenue to be recognised by our Group under Project A is expected to be over HK$900 million and Project A is the largest project in terms of contract value that we have undertaken since we commenced our business. As at the Latest Practicable Date, we have not submitted any tender proposal for projects with a scale comparable to Project A. There is a risk that we may not be able to obtain projects with size comparable to Project A in the future.

The gross profit margin of the IT application and solution development segment and the overall gross profit margin of our Group are expected to be lowered for the years ending 31 March 2015, 2016 and 2017

Our Group's revenue is expected to be increased which is attributed to the IT application and solution development segment from Project A and make the segment the larger proportion of revenue for our Group in the years ending 31 March 2015, 2016 and 2017. The gross profit margin of IT application and solution development segment was approximately 37.4%, 48.2% and 34.1% for the two years ended 31 March 2013 and 2014 and six months ended 30 September 2014. Since the estimated gross profit margin of the entire Project A is projected to be about 20%, which is lower than the historical average gross profit margin of the IT application and solution development segment during the Track Record Period. There will be an expected decrease in gross profit margin of the segment in the 2015, 2016 and 2017 financial years as compared to the Track Record Period. Despite of our overall gross profit may be increased during the period, the overall gross profit margin of our Group may be decreased as a result of decrease in gross profit margin of the IT application and solution development segment.

We are dependent upon recruiting and retaining eligible staff. Any shortfall in our workforce or increase in labour cost may materially impede our business operations and adversely affect our financial results

Our business and success depend heavily on the services provided by our staff. However, the number of eligible staff is fairly limited in the market. It is of particular importance for our secondment business to have eligible staff to fulfil our customers' needs. Any significant increase in the turnover rate of our staff coupled with our inability to recruit eligible staff for replacement expeditiously may cause a shortfall in our workforce and have a material adverse impact on our business.

Given the keen competition for IT professionals, we were compelled to offer competitive remuneration to our staff to maintain a steady workforce. As a result, the contribution of labour cost to our cost of sales was approximately 35.7%, 38.9% and 38.0% for each of the three years ended 31 March 2012, 2013 and 2014 and approximately 40.7% for the six months ended 30 September 2014 respectively. As most of our contracts are fixed-price in nature, if there is an increase in our labour cost, our Group may not be able to pass the rising labour cost onto our customers. Therefore, our financial results may be adversely affected.

Our results of operation and financial conditions are highly susceptible to changes in the political, economic and social conditions in Hong Kong

Our business operation in Hong Kong is subject to economic, political and social developments in Hong Kong. Any unfavourable changes of political, economic or social conditions, in particular, the recent political crisis and occupy central movement, may has produced social instability or uncertainty and has adverse effect on the economic and trading activities in Hong Kong. This may in turn affect demand for our Group's products and services, resulting in deteriorated financial performance of our Group. In addition, approximately 5.9%, 10.1%, 7.6% and 2.4% of our total revenue were generated from sales to government and statutory bodies in Hong Kong during the Track Record Period. Adverse changes of political, economic and social conditions in Hong Kong may cause delays in tender awarding process of government and decrease in the government procurement, which may in turn adversely affect our business, financial condition and results of operation.

Leakage or misappropriation of confidential information handled by us could have an adverse effect on our reputation and business operations

During the course of providing our services, we may have access to and be entrusted with information that is confidential in nature, such as information that relates to customers' systems, operations, raw data or affairs. We presently rely on various means to protect the confidentiality of our customers' information, including our internal control manual and the non-disclosure arrangements with our employees. However, there is no assurance that the steps taken by us will successfully prevent any leakage or misappropriation of confidential information of our customers. Any leakage or misappropriation of confidential information of our customers could expose us to the complaints or claims of our customers, which may have a material and adverse effect on our reputation and business operations.

We may be vicariously liable for the acts or omissions of our staff and face claims or legal actions brought by our customers for damages caused by the negligent conduct or fault of our staff

Our staff may be required to work at our customers' premises or seconded to work for our customers for a fixed period of time. Despite the fact that our staff may be working under the supervision of our customers, we may still be vicariously liable for their acts or omissions while they carry out their responsibilities entrusted to them by our customers. We may face claims or legal actions brought by our customers for damages caused by the negligent conduct or fault of our staff. In such event, we may need to incur additional costs to settle or defend these claims or legal actions against our business or else our results of operation may be adversely affected.

Since our performance relies heavily on key executives and personnel, our business may be adversely affected if we fail to retain them or find suitable replacements

Our performance depends, to a significant extent, on the continued services and performance of our key executives and personnel who have a comprehensive understanding of our customers' requirements. Our executive Directors and senior management are considered to be important to our future success. We expect that workforce management and retention will continue to be an important challenge faced by our Group. Failing to recruit or retain key executives and personnel, or the loss of the services of any of such personnel, could have an adverse effect on our business.

Our Group's performance also depends on our ability to hire and retain employees with the necessary level of knowledge and qualification. We shall need to recruit additional personnel to achieve our planned expansion. Competition for employees with the necessary experience and expertise in the IT industry is intense and is expected to increase, and we may not be able to retain existing employees or identify and recruit new employees because of such competition. Any significant increase in the turnover rate of our employees together with our inability to recruit replacement employees expeditiously could have a material adversely effect on our business and results of operations.

We are exposed to potential liabilities for damages or injuries caused by our negligent acts or omissions in providing our services, or defective hardware and software provided by us

Many of the IT solutions and software applications developed by us are critical to the operations of our customers' businesses. Any defects or errors in these solutions and software applications could affect our customers' operations. Although our solutions and software normally run through acceptance tests before final launch, there is no assurance that all the bugs, errors or flaws in our solutions and software have been detected and corrected. Some of our contracts for IT application and solution development and secondment services require us to indemnify the customers from any claims, loss and damages, attributable to our negligent acts or omissions, resulting in any personal injury, loss to property, infringement of intellectual property rights, or leakage of confidential information.

In general, our Group does not take out any insurance to cover risks associated with our service contracts. In some cases, customers of IT application and solution development require us or the main contractor (in the case of us being a subcontractor) to take out contractors' all risks insurance. However, if any material losses, damages or liabilities fall outside the scope and/or limit of the insurance coverage, we shall be responsible for such damages or losses, which will adversely affect our financial results.

Currently, we do not take out any product liability insurance and as advised by our Directors, it is not the general industry practice to take out such insurance. Should any of our customers make a claim against us for loss suffered due to defective products, our reputation, profitability and business would be adversely affected.

Concentration on a number of key suppliers may affect our operations. Our business and results of operations could be materially and adversely affected should there be any disruption in the supply of hardware and software from our major suppliers, material product defects, failure of suppliers' products to maintain competitiveness, or loss of the suppliers

Our five largest suppliers accounted for approximately 47.3%, 50.1% and 56.1% of our total cost of sales for each of the three years ended 31 March 2012, 2013 and 2014 and 54.0% for the six months ended 30 September 2014 respectively.

If we are unable to source the hardware and software from our suppliers in a timely manner and under acceptable terms, we may not be able to meet the delivery schedules or may encounter delays in our projects. Should there be any disruption in the supply of hardware and software from our major suppliers, we may be unable to identify an alternative source of supply with competitive prices and satisfactory quality, thus our business and results of operations may be adversely affected.

Concentration on a number of key suppliers generally involves several risks, including the possibility of defective products from a supplier, loss of market share of supplier's products, failure of supplier's products to maintain their competitiveness because of changing IT standards or customers' preference, a shortage of product supply and loss of such suppliers. Our revenue and profitability could be materially and adversely affected, particularly when we are unable to identify alternative sources of supply for the same or similar products in a timely manner.

Quality of the IT software and hardware provided by the suppliers is not under our control. If the products provided by the suppliers are defective or fail to meet the required standards, our business and reputation may be adversely affected

Our Group provides a variety of software and hardware to our customers as part of the IT application and solution development and IT infrastructure solutions. However, we are not able to control the quality of those products provided by the suppliers. If the products provided by the suppliers are defective or fail to meet the required standards, our business and reputation may be adversely affected. We may also be subject to legal proceedings initiated by the aggrieved customers in respect of the product defects. In such event, we may need to incur additional costs to settle or defend these claims or legal actions which could have material adverse effects on our reputation and financial conditions.

Our financial performance for the year ending 31 March 2015 would be adversely affected by the listing expenses

Based on the Placing Price of HK$0.35 per Share (being the mid-point of the proposed price range), it is estimated that an aggregate amount of approximately HK$19.2 million would be paid to the Underwriter and various professional parties as listing expenses. The listing expenses borne by our Company will be treated as follows: (i) approximately HK$4.8 million will be charged to profit or loss account, for the year ending 31 March 2015, which will reduce the profit for the year ending 31 March 2015 correspondingly; and (ii) approximately HK$7.0 million will be accounted for as a deduction from our share premium account for the year ending 31 March 2015. Accordingly, our Group's financial performance for the year ending 31 March 2015 is expected to be materially and adversely affected by the estimated expenses in relation to the Listing. The profitability of our Group for the year ended 31 March 2014 might not necessarily give any indication of, and should not be interpreted as a guidance for, the total profit of our Group for the year ending 31 March 2015. It must be emphasised that the amount of such listing expenses is a current estimate for reference only and the final amount to be recognised as profit or loss of our Group for the year ending 31 March 2015 is subjected to audit and changes in variables and assumptions at the relevant time.

We may not be able to successfully implement our strategies, or achieve our business objectives

Our business objectives as set out in this prospectus are based on our existing plans and intentions. However, the objectives are based on prevailing circumstances and the development trend of the IT service industry currently known to our Directors. We intend to expand our existing business in accordance with the objectives. We have to recruit additional employees with the necessary skills and knowledge to achieve our planned expansion. Our Directors believe that competition for skilled IT professionals is intense in Hong Kong. As a result, we may encounter shortages of skilled and competent personnel, which may hamper our ability to implement our strategies in the future. In addition, the planned expansion may result in significant capital expenditures incurred by us, which may or may not be recoverable, and may divert management's attention from other business concerns. There is no assurance that we will successfully implement our strategies or that our strategies, even if implemented, will result in us achieving our objectives. Our business, operating results and financial position may be materially and adversely affected if our business objectives are not achieved.

Any infringement of our intellectual property rights or any infringement by us on the intellectual property rights of others, in particular our customers, may adversely affect our business and our financial performance

Any unauthorised use of our trademark or domain name by our competitors in their corporate names or brands could harm our image and erode our competitive advantages. The contract terms of our IT application and solution development projects normally require that all intellectual property rights attached to the software programmes developed by us and other data or material are owned by our customers. There are also a number of cases in which we retain the ownership of the intellectual property rights in the developed software. It is difficult to keep track of unauthorised use of our proprietary rights and the steps taken by us may not effectively prevent infringement of our intellectual property rights. If we have to resort to litigation to enforce our intellectual property rights, significant legal costs may be incurred.

Conversely, there is also a risk that we may infringe the intellectual property rights of others, including our customers. In addition, a number of open source software and third party software may have been used in the development, testing or operation of our software applications. Therefore, we may have to obtain licenses for the use of such open source software and third party software and comply with the terms and restrictions therein. There can be no assurance that we will not be claimed against or alleged to have used any of our customers' or third party's source codes or software or for breaching any terms and restrictions under any license or other obligations. These claims could be costly and may divert the attention of our management from operating our business. If we become liable to third parties for infringing their intellectual property rights, we may be required to pay substantial damages, incur additional expenditure to develop non-infringing alternatives or to obtain license, or to cease selling the applications that contain the infringing properties.

We are subject to covenants under certain banking facilities and we may not be able to comply with them at all times

Our banking facilities are subject to covenants. If we fail to comply with these covenants and are unable to rectify such non-compliance, the drawn down facilities may become repayable on demand at the request of the lenders.

As at 31 March 2012, ICO Technology failed to comply with the borrowing covenant of a loan facility in maintaining a tangible net worth of HK$5 million at all times after the distribution of dividends due to the fact that our Directors inadvertently overlooked the borrowing covenant when considering the declaration of dividends. The loan facility did not expressly stipulate that ICO Technology had to inform the bank of the breach. We did not inform the bank of the breach, nor did we receive any notice from the bank informing us they were aware of it. However, such breach had no significant financial impact on our Group's combined financial statements. In August 2012, the bank loan was fully repaid. Please refer to the section headed "Indebtedness" under "Financial information" of this prospectus for details.

If we do not comply with the covenants with lenders in the future, we may be subject to accelerated repayment obligations and may be unable to renew or obtain sufficient banking facilities on commercially acceptable terms or at all, which in turn could materially and adversely affect our liquidity position.

RISKS RELATING TO OUR INDUSTRY

The IT industry is highly competitive, eroding the profits of the market players

The markets for IT application and solution development services, IT infrastructure solutions services, secondment services and maintenance and support services are highly competitive. There is a large supply of IT solutions and other application software products and services in the market which are similar to those offered by us. We compete with Hong Kong and international vendors or service providers.

For large scale IT application and solution development projects, our Directors believe that the barriers of entry are relatively high as they generally require sophisticated technical know-how and extensive development experience. However, we may have to compete with internationally renowned IT services providers for these projects.

This intense competition may result in competitive pricing, which may have an adverse impact on our operating performance and profitability.

We may not be able to keep up with rapid technological changes and may be driven out of competition

The IT industry is characterised by rapidly changing technology, evolving industry standards, frequent introductions and enhancements of new products and services, and changing customer demands. The introduction of new technology and the emergence of new industry standards may render our services to be obsolete and uncompetitive. Accordingly, our future success will depend on our ability to adapt to rapidly changing technologies, to adapt our services to the evolving industry standards and continually improving the know-how of our staff in response to evolving demands of the market place. Failing to adapt to such changes would have a material adverse effect on our business.

RISK FACTORS RELATING TO OUR OPERATIONS IN THE PRC

The PRC legal system is not fully developed and has inherent uncertainties that may limit the legal protections available to our Group, especially on the protection of intellectual property rights

The PRC legal system is fundamentally based on written status and legal interpretation by the Standing Committee of the National People's Congress. Although prior court decisions may be cited for reference, they have limited precedential value. Since 1979, the PRC government has established a commercial law system, and significant progress has been made in promulgating laws and regulations relating to economic affairs and matters, such as corporate organisation and governance, foreign investment, commerce, taxation, trade and intellectual property rights. However, many of these laws and regulations are relatively new, and due to limited volume of published cases and their non-binding nature, interpretation and enforcement of these laws and regulations involve uncertainties which may limit the legal protections available to our Group. The protection of trademarks, copyrights, trade secrets and other intellectual property rights in the PRC are also limited. We cannot guarantee that the relevant law enforcement agencies will be able to prohibit, punish and prevent the occurrence of trademark and copyright infringement in the PRC.

It may be difficult for investors in seeking recognition and enforcement of foreign judgments or arbitral awards against our Group in the PRC

It may be difficult for investors to enforce foreign judgments or arbitral awards against our Group within the territory of the PRC. The PRC does not have treaties or arrangements providing recognition and enforcement of judgments made by the courts in most jurisdictions. On 14 July 2006, Hong Kong and China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Region Pursuant to Choice of Court Agreements Between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄民商事案件判決的安排) (the "Arrangement"), pursuant to which a party with a final court judgment rendered by Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in China. Similarly, a party with a final judgment rendered by a PRC court requiring monetary payment in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. As such, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute have not entered in writing a choice of court agreement. Therefore, investors may have difficulties effecting service of process against our Group's assets in the PRC in order to seek recognition and enforcement of foreign judgments in the PRC.

The PRC is a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention"), which allows for the enforcement of arbitral awards given by the arbitral bodies of other New York Convention signatories. Following the resumption of sovereignty over Hong Kong by the PRC on 1 July 1997, the New York Convention is no longer applicable for the enforcement of arbitral awards of Hong Kong in other parts of the PRC. As a result, a memorandum of understanding was signed on 21 June 1999 to permit reciprocal enforcement of arbitral awards between Hong Kong and the PRC. Such memorandum of understanding was approved by the Supreme People's Court and the Hong Kong legislative council and came into effect on 1 February 2000. Hence, it may be difficult to seek recognition and enforcement of arbitral awards in the PRC if the arbitral awards were awarded by arbitral bodies that are not signatories to the New York Convention, and do not have similar arrangements under the memorandum of understanding between Hong Kong and the PRC.

Foreign exchange control and foreign investment regulations in the PRC may adversely affect the efficiency or results of operations of the subsidiaries or associates of our Group in the PRC

RMB is not a freely convertible currency at present. The PRC government regulates conversion between RMB and foreign currencies. Under the PRC foreign exchange rules and regulations, payments of current account items, including profit distributions, service of foreign debts, interest payments and expenditures related to business operations, are permitted to be made in foreign currencies without prior government approval but are subject to certain procedural requirements. However, it is not assured that the current PRC foreign exchange policies regarding debt service and payment of dividends in foreign exchange will continue in the future, and that our Group will be able to meet all of our foreign currency obligations or to remit profits to our Shareholders in the form of dividends. In addition, changes in PRC foreign exchange policies may have a negative impact on the abilities of Tian Li Shi to distribute dividends in foreign currencies.

Strict foreign exchange controls continue to apply to capital account transactions. Capital account transactions must be approved by or registered with SAFE. Repayments of loan principal, distributions of returns on direct capital investment and investments in negotiable instruments are also subject to restrictions. Subsequent to the Placing, our Group may have the choice, as permitted by the PRC foreign investment regulations, to invest the net proceeds from the Placing into Tian Li Shi, either through increasing registered capitals or through increasing investment amounts to finance our operations in the PRC. In such case, Tian Li Shi is required to obtain the prior approval of and make registration with the relevant PRC authorities. These regulations may limit the ability or delay the transfer of funds from our Company to Tian Li Shi, which may have an adverse impact on our business operations.

Withholding tax on dividends received from Tian Li Shi may affect our Company's ability to pay dividends to the Shareholders

Our Company is incorporated under the laws of the Cayman Islands and indirectly holds interests in Tian Li Shi. Under the Law of PRC on Enterprise Income Tax (中華人民共和國企業所得稅法) (the "EIT Law") and the Implementation Rules of the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法實施條例) (the "Implementation Rules") which became effective on 1 January 2008, dividends payable to foreign investors that are "derived from sources within the PRC" may be subject to income tax at the rate of 10% by way of withholding, unless otherwise entitled to certain tax reductions or exemptions, for example, under certain tax treaties.

According to the Arrangements Between Mainland and Hong Kong Special Administrative Region for Avoiding Dual Taxation on Income and Preventing Escape of Taxation (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排), a withholding tax at the rate of 5% applies to dividends paid by a PRC enterprise to a Hong Kong resident, provided that the dividend recipient is an enterprise that holds at least 25% of the capital of the PRC subsidiary. Pursuant to the Notices on Issues relating to the Administration of the Dividend Provision in Tax Treaties (關於執行稅收協定股息條款有關問題的通知) (the "Notices") promulgated on 20 February 2009 by the State Administration of Taxation of the PRC, the qualification for dividend recipient to enjoy tax preferential treatment of being levied at 5% rate is as follows: (i) the recipient of the dividend must be a corporation; (ii) the recipient's ownership in the Chinese company must meet the prescribed 25% direct ownership thresholds at all times during the 12 consecutive months preceding the receipt of the dividends; and (iii) the deal or arrangement is not mainly for the purpose of obtaining the tax preferential treatment.

Since Tian Li Shi has not distributed any dividends during the Track Record Period, whether the dividend's withholding tax rate is 5% will depend, in part, on how the PRC tax authorities apply or enforce the EIT Law and the Implementation Rules. Such withholding tax will in turn reduce the amount of dividends or other distributions our Company may receive and restrict our ability to pay dividends to the Shareholders.

RISK FACTORS RELATING TO THE PLACING AND THE SHARES

There has been no prior public market for our Shares. If an active trading market for our Shares does not develop, the price of our Shares may be adversely affected and may decline below the Placing Price

Prior to the Placing, there was no public market for our Shares. The Placing Price was the result of negotiations between us and the Lead Manager (for itself and on behalf of the Underwriter), and the Placing Price may differ significantly from the market price for the Shares following the Placing.

In addition, we cannot assure you that an active trading market will develop or be maintained following the completion of the Placing, or that the market price of our Shares will not decline below the Placing Price.

The liquidity and market price of our Shares following the Placing may be volatile

The price and trading volume of our Shares may be highly volatile. Factors such as variations in our revenues, earnings, cash flows, new products/services/investments, changes in senior management and general economic conditions could cause the market price of our Shares to change substantially. Any such development may result in large and sudden changes in the volume and price at which our Shares will trade.

The Shareholders' interests in our Company may be diluted as a result of additional equity fund raising

We may issue additional Shares to raise additional funds in the future to finance our business expansion. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company, other than on a pro rata basis to existing Shareholders, then (i) the percentage ownership of those existing Shareholders may be reduced, and they may experience subsequent dilution, and/or (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing Shareholders.

Historical dividends do not guarantee future dividends

Dividends declared by our Group for each the three years ended 31 March 2012, 2013 and 2014 were approximately HK$3.5 million, HK$3.6 million and HK$15.2 million respectively. On 26 February 2015, our Group declared a dividend of HK$9,980,000 to our then existing Shareholders. As at the Latest Practicable Date, unpaid dividends amounted to approximately HK$10,205,000 which will be settled by internal resources before Listing. Dividends to be declared and paid in the future will be subject to, among others, the full discretion of our Directors, and would depend on our Group's future earnings, capital requirements and surplus, the general financial condition and any other factors which our Directors may consider relevant. Accordingly, the historical dividends of our Group should not be treated as an indication of the future dividend policy of our Group. Further details on the dividend policy of our Group are set out in the subsection headed "Dividends and dividend policy" under the "Financial information" section in this prospectus.

Sale or perceived sale of substantial amounts of the Shares in the public market after the Placing could adversely affect the prevailing market price of the Shares

The Shares beneficially owned by the Controlling Shareholders are subject to certain lock-up periods under the GEM Listing Rules. There is no assurance that the Controlling Shareholders, whose interests may be different from those of other Shareholders, will not dispose of their Shares following the expiration of the lock-up periods. Sale of substantial amounts of the Shares in the public market, or the perception that such sale may occur, could adversely affect the prevailing market price of the Shares.

The interest of the Controlling Shareholders may not always coincide with the interests of our Company and those of other Shareholders. Should there be any conflict of interests, our Company or other Shareholders may be adversely affected as a result

Upon completion of the Placing and the Capitalisation Issue, the Controlling Shareholders will own, in aggregate, 75% of the Shares in issue. The Controlling Shareholders will therefore have significant influence over the operations and business strategy of our Group, and may have the ability to require our Group to effect corporate actions according to their own desires. The interests of the Controlling Shareholders may not always coincide with the best interests of other Shareholders. If the interests of any of the Controlling Shareholders conflict with the interests of other Shareholders, or if any of the Controlling Shareholders choose to cause our business to pursue strategic objectives that conflict with the interests of other Shareholders, our Company or those other Shareholders may be adversely affected as a result.

RISKS RELATING TO STATEMENTS MADE IN THIS PROSPECTUS AND FROM OTHER SOURCES

Certain statistics and facts in this prospectus are derived from various official government sources and publications or other sources and have not been independently verified

This prospectus includes certain statistics and facts that are extracted from official government sources and publications or other sources. We believe that such statistics and facts are prepared by the relevant sources after having taken reasonable care. Whilst our Company believes that it is prudent for us to rely on such statistics and facts, there is no assurance that such statistics and facts are free from error or mistake. The statistics and facts from these sources have not been independently verified by our Company, our Directors, the Sponsor, the Lead Manager, the Underwriter, or any of their respective directors, affiliates or advisers or any other party involved in the Placing and no representation is given as to their accuracy and completeness. Due to possible flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics from official government publications referred to or contained in this prospectus may be inaccurate or may not be comparable to statistics produced for other economies and should not be relied upon. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such statistics or facts.

Forward-looking statements in this prospectus may prove inaccurate

This prospectus contains certain forward-looking statements relating to the plans, objectives, expectations and intentions of our Directors. Such forward-looking statements are based on numerous assumptions as to the present and future business strategies of our Group and the development of the environment in which our Group operates. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual financial results, performance or achievements of our Group to be materially different from the anticipated financial results, performance or achievements of our Group expressed or implied by these statements. The actual financial results, performance or achievements of our Group may differ materially from those discussed in this prospectus.

We strongly caution you not to place any reliance on any information contained in press articles, media coverage and/or research analyst reports regarding us, our industry or the Placing

There may be press articles, media coverage and/or research analyst reports regarding us, our industry or the Placing, which may include certain financial information, financial projections and other information about us that do not appear in this prospectus. We have not authorised the disclosure of any such information in the press, media or research analyst report. We do not accept any responsibility for any such press articles, media coverage or research analyst report or the accuracy or completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, we disclaim it. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus 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 prospectus misleading.

PLACING SHARES ARE FULLY UNDERWRITTEN

This prospectus is published in connection with the Placing for which New Spring Capital Limited is the Sole Sponsor. The Placing Shares are fully underwritten by the Underwriter pursuant to the Underwriting Agreement. Information relating to the underwriting arrangement is set out in the section headed "Underwriting" of this prospectus.

DETERMINATION OF THE PLACING PRICE

The Placing Shares are being offered at the Placing Price which will be determined by the Lead Manager (for itself and on behalf of the Underwriter) and our Company at or before 5:00 p.m. on Wednesday, 11 March 2015. The Placing Price, which is currently expected to be not more than HK$0.4 per Placing Share and not less than HK$0.3 per Placing Share. The Lead Manager (for itself and on behalf of the Underwriter) may reduce the indicative Placing Price range stated in this prospectus at any time prior to the Price Determination Date. In such a case, a notice of the reduction of the indicative Placing Price range will be published on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ico.com.hk**.

If the Lead Manager (for itself and on behalf of the Underwriter) and our Company are unable to reach an agreement on the Placing Price at or before 5:00 p.m. on the Price Determination Date, or such later date or time as may be agreed between our Company and the Lead Manager, the Placing will not become unconditional and will lapse.

RESTRICTIONS ON SALE OF THE PLACING SHARES

Each person acquiring the Placing Shares will be required to confirm that he/she is aware of the restrictions on offers and sales of the Placing Shares described in this prospectus.

No action has been taken to permit any public offering of the Placing Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation, nor is it circulated to invite to solicit offers in any jurisdiction other than Hong Kong or in any circumstances in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. Persons who possess this prospectus are deemed to have confirmed with our Company, the Sponsor, the Lead Manager and the Underwriter that such restrictions have been observed.

The Placing Shares are offered solely on the basis of the information contained and representations made in this prospectus. No person is authorised to give any information in connection with the Placing or to make any representation not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorised by our Company, the Sponsor, the Lead Manager, the Underwriter, any of their respective directors, agents, employees or advisers or any other person involved in the Placing.

Prospective applicants for Placing Shares should consult their financial advisers and take legal advice, as appropriate to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for the Placing Shares should inform themselves as to the relevant legal requirements and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

STRUCTURE AND CONDITIONS OF THE PLACING

Further details of the structure and conditions of the Placing are set out under the section headed "Structure and conditions of the Placing" in this prospectus.

APPLICATION FOR LISTING ON GEM

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Placing and the Capitalisation Issue.

No part of the share capital of our Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Placing Shares on GEM is refused before the expiration of three weeks from the date of the closing of the Placing, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Listing Division of the Stock Exchange, then any allotment made on application in pursuance of this prospectus shall, whenever made, be void.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of listing and at all times thereafter, our Company must maintain the minimum prescribed percentage of at least 25% of the issued share capital of our Company in the hands of the public.

Only securities registered on the branch register of members of our Company kept in Hong Kong may be traded on GEM unless the Stock Exchange otherwise agrees.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Wednesday, 18 March 2015. Shares will be traded in board lots of 8,000 each.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the Shares on GEM and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on GEM or on any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS. If you are unsure about the details of CCASS settlement arrangements and how such arrangements will affect your rights and interests, you should seek the advice from your stockbrokers or other professional advisers.

PROFESSIONAL TAX ADVICE RECOMMENDED

If you are unsure about the taxation implications of the subscription for, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to the Shares, you should consult your professional adviser. It is emphasized that none of our Company, the Sponsor, the Lead Manager, the Underwriter, any of their respective directors, agents or advisers or any other person involved in the Placing accepts responsibility for any tax effects on or liabilities of any person resulting from the subscription for, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to the Shares.

REGISTER OF MEMBERS AND STAMP DUTY

The Shares may be registered on the principal register of members in the Cayman Islands or on the branch register of members of our Company in Hong Kong. Only Shares registered on the branch register of members maintained in Hong Kong may be traded on GEM, unless the Stock Exchange otherwise agrees.

Dealings in the Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

Unless our Company determines otherwise, dividends payable in HK dollars in respect of the Shares will be sent by ordinary post at the Shareholder's risk to the registered address of each Shareholder or, in the case of joint holders, the first-named holder.

ROUNDING

Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

Name	Address	Nationality
Executive Directors		
Lee Cheong Yuen (李昌源)	Flat E, 31/F Block 5 Aria 51 Fung Shing Street Ngau Chi Wan Kowloon Hong Kong	Chinese
Yong Man Kin (楊敏健)	Room 1908 Block 3 Heng Fa Chuen Hong Kong	Chinese
Non-executive Directors		
Chan Kwok Pui (陳國培)	Room 3015, 30/F Wai Yuen House Chuk Yuen North Estate Wong Tai Sin Kowloon Hong Kong	Chinese
Tam Kwok Wah (譚國華)	Flat C, 8/F, Block 4 Ma On Shan Centre Sai Sha Road Ma On Shan New Territories Hong Kong	Chinese
Independent non-executive Directors		
Chan Mee Yee (陳敏兒)	Flat C, 19/F, Tower 1 Bel-Air On The Peak 68 Bel-Air Peak Avenue Island South Hong Kong	American
Chow Kam Pui (鄒錦沛)	Flat B, 2/F Villa Rhapsody Block 15 Sai Sha Road Symphony Bay Ma On Shan New Territories Hong Kong	Chinese

Name	**Address**	**Nationality**
Kam Man Yi Margaret (甘敏儀)	Flat B, 59/F, Block 6 9 Sham Shing Road The Pacifica Cheung Sha Wan Kowloon Hong Kong	Chinese

Please refer to the section headed "Directors, senior management and staff" in this prospectus for further information.

Sole Sponsor	New Spring Capital Limited Unit 2108, China Merchants Tower Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Sole Lead Manager	Quam Securities Company Limited 18/F and 19/F China Building 29 Queen's Road Central Hong Kong
Underwriter	Quam Securities Company Limited 18/F and 19/F China Building 29 Queen's Road Central Hong Kong
Legal advisers to our Company	*as to Hong Kong law* Tso Au Yim & Yeung Solicitors 2/F, Beautiful Group Tower 74–77 Connaught Road Central Hong Kong *as to PRC law* Zhong Lun Law Firm 10/F, Tower A Rongchao Tower 6003 Yitian Road Futian District Shenzhen 518026 China

	as to Cayman Islands law Appleby 2206–19 Jardine House 1 Connaught Place Central Hong Kong
Legal adviser to the Sponsor and the Underwriter	*as to Hong Kong law* Fairbairn Catley Low & Kong 23/F, Shui On Centre 6–8 Harbour Road Hong Kong
Reporting accountants	Crowe Horwath (HK) CPA Limited 9/F, Leighton Centre 77 Leighton Road Causeway Bay Hong Kong

Registered office in the Cayman Islands	Clifton House, P.O. Box 1350 75 Fort Street, Grand Cayman KY1-1108 Cayman Islands
Headquarters and principal place of business in Hong Kong	30/F, Siu On Centre 188 Lockhart Road Hong Kong
Company secretary	Leung Kei Pui (梁基沛) *(ACIS, ACS, FCCA)* 30/F, Siu On Centre 188 Lockhart Road Hong Kong
Compliance officer	Yong Man Kin (楊敏健)
Members of the audit committee	Kam Man Yi Margaret (甘敏儀) *(chairman)* Chan Mee Yee (陳敏兒) Chow Kam Pui (鄒錦沛)
Members of the remuneration committee	Chan Mee Yee (陳敏兒) *(chairman)* Chow Kam Pui (鄒錦沛) Kam Man Yi Margaret (甘敏儀)
Members of the nomination committee	Chow Kam Pui (鄒錦沛) *(chairman)* Chan Mee Yee (陳敏兒) Kam Man Yi Margaret (甘敏儀) Yong Man Kin (楊敏健) Lee Cheong Yuen (李昌源)
Authorised representatives	Lee Cheong Yuen (李昌源) Flat E, 31/F Block 5 Aria 51 Fung Shing Street Ngau Chi Wan Kowloon Hong Kong Yong Man Kin (楊敏健) Room 1908 Block 3 Heng Fa Chuen Hong Kong

Principal share registrar and transfer office in the Cayman Islands	Appleby Trust (Cayman) Ltd. Clifton House, P.O. Box 1350 75 Fort Street, Grand Cayman KY1-1108 Cayman Islands
Hong Kong branch share registrar and transfer office	Union Registrars Limited A18/F., Asia Orient Tower Town Place 33 Lockhart Road Wanchai Hong Kong
Principal bankers	The Hong Kong and Shanghai Banking Corporation Limited 40 Des Voeux Road West Hong Kong DBS Bank (Hong Kong) Limited G/F, The Center 99 Queen's Road Central Hong Kong
Compliance Adviser	New Spring Capital Limited Unit 2108, China Merchants Tower Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Company website *(Note)*	www.ico.com.hk

Note: The information on the website of our Company does not form part of this prospectus.

This section contains certain information which is derived from a report we commissioned from Ipsos, an Independent Third Party. We believe that the sources of the information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. While we have exercised reasonable care in compiling and reproducing such information from official government publications, it has not been independently verified by our Company, our Directors, the Sponsor, the Lead Manager, the Underwriter or any other parties involved in the Placing. The information from official government publications may not be consistent with the information available from other sources within or outside Hong Kong. Our Company, our Directors, the Sponsor, the Lead Manager, the Underwriter or any other parties involved in the Placing do not make any representation as to the accuracy, completeness or fairness of such information from official government publications and, accordingly, you should not unduly rely on such information from official government publications.

The Ipsos Report

We commissioned Ipsos to undertake research on the IT services and solutions industry in Hong Kong, which includes IT application and solution development, secondment services, maintenance and support services, and IT infrastructure solutions at a fee of approximately HK$356,000. The research is set out in the Ipsos Report. Our Directors confirm that Ipsos including all of its subsidiaries, divisions and units, is independent of and not connected with us in any way. Ipsos, on behalf of itself, its subsidiaries and units, has confirmed that the Ipsos Report was prepared in its ordinary course of business, and has given its consent for us to quote from the Ipsos Report and to use the information contained in the Ipsos Report in this prospectus.

Ipsos, having offices in over 80 countries, is a market research and consulting firm that provides insight, to its clients to drive their brands competitiveness, and, products and customer relations strategies. Ipsos is engaged in the provision of various services including market survey, market profiling, market sizing, share and segmentation analysis, distribution and value analysis, competitor tracking and corporate intelligence.

The information contained in the Ipsos Report is derived by means of data and intelligence gathering methodology which includes: (i) desk research; (ii) client consultation; and (iii) primary research by interviews with key stakeholders and industry experts in Hong Kong including association and experts, IT solutions providers and software providers.

The Ipsos Report is based on the following assumptions: (i) the economy environment in Hong Kong will maintain a steady growth across the forecasted period; (ii) there will be no external factors such as financial crisis or natural disasters to affect the demand for and supply of IT services and solutions services during the forecast period; (iii) the demand for IT services and solutions services will be stable during the forecast period; and (iv) there will be no material change of government policies, measures and attitudes in IT services and solutions services since 2013, and up to 2016.

The following parameters were considered in the market sizing of the Ipsos Report, (i) GDP growth rate from 2008 to 2013; (ii) inflation from 2014 to 2016; (iii) average annual customer spending on IT services and solutions services; and (iv) number of IT services and solutions service providers.

This prospectus, particularly in the sections headed "Industry overview" and "Business" contains some information extracted from the Ipsos Report.

OVERVIEW OF IT SERVICE AND SOLUTION INDUSTRY IN HONG KONG

IT services and solutions in the IT service industry broadly include the below solution categories:

Categories	Product and service involved
IT integration solution	• IT application and solution development is the formation of a computer operating environment by combining hardware platforms, network systems, system software and application software targeting the specific computing needs of the customers. It involves systems design, network design, planning, installation, product screening, software development, consultancy services, training etc. • Secondment service is referred to as contract staff services where IT service and solution providers send their IT professionals to client's site to perform IT services according to clients' instruction, while working under the direct employment of the IT service and solution providers. • Maintenance and support service refer to the system maintenance or after-sales computer services.
IT infrastructure solutions	• IT infrastructure solutions is the resell of hardware and software of different brands which incorporates additional services and/or modifications to enhance its functions through integration, customisation, consultation, training, implementation etc.

THE MARKET SUPPLY

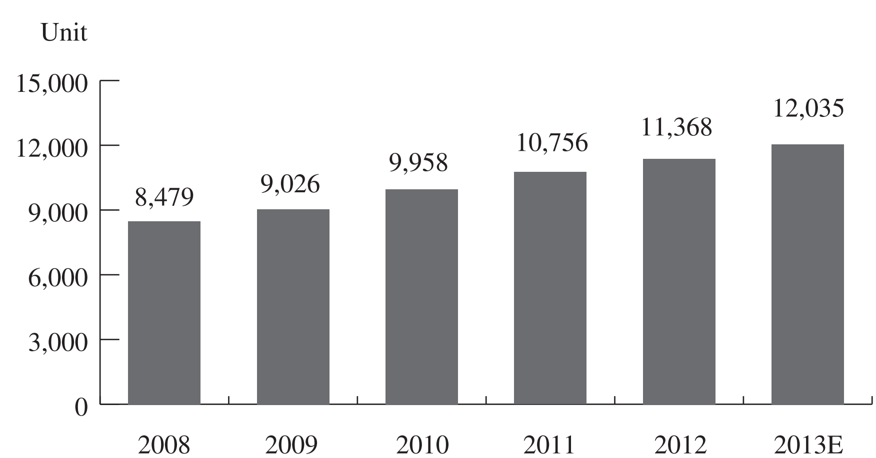
Number of IT services and solutions providers in Hong Kong

According to Ipsos, IT services and solutions providers in Hong Kong can be divided into software and hardware service providers:

- Hardware service providers are distributors of large international computer companies, and the largest ones combine the provision with software development and consultancy.
- Software service providers include value-added resellers, customer software developers/ software houses, system and network integrators, electronic data processing departments, information system consultants, and hardware manufacturers who also design operating systems.

According to Ipsos, the IT services and solutions industry in Hong Kong is highly intensive with large number of service providers. The number of IT services and solutions providers in Hong Kong had been increasing since 2008 as a result of the stable economic growth in Hong Kong. The total number of IT services and solutions providers grew from approximately 8,479 in 2008 to approximately 12,035 in 2013, at a CAGR of approximately 7.3%. Approximately 80% of the service providers were small-scale enterprises with less than 20 employees.

Total number of IT services and solutions providers in Hong Kong



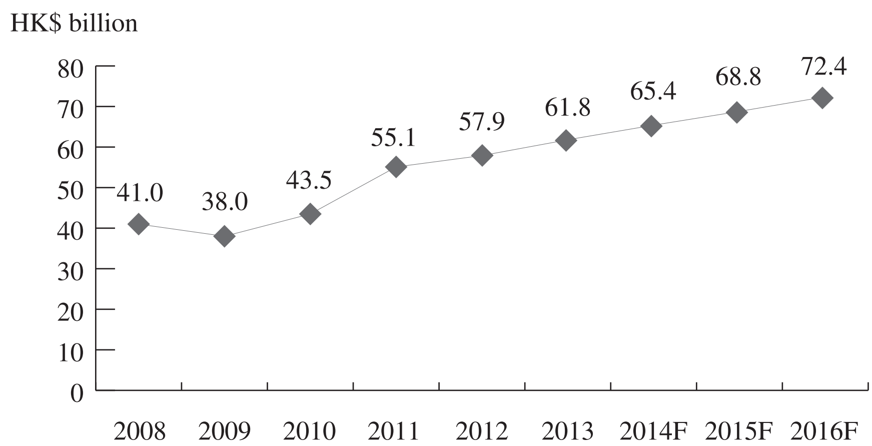
Note: Number of service providers include technology and communications establishments in Hong Kong as defined by the Hong Kong Census and Statistics Department.

Sources: Hong Kong Census and Statistics Department; Ipsos Report

THE MARKET SIZE

Customer spending on IT services and solutions in Hong Kong

Customer spending on IT services and solutions in Hong Kong *(Note)*



Sources: Science and Technology Statistics Section, Hong Kong Census and Statistics Department, Ipsos Report

Note: Customer spending includes both the business and the government sector for overall IT services, which include spending on IT and solution services, as well as other IT related services, such as agency fees, and after-sales caring and maintenance fees.

Total customer spending on IT services and solutions industry in Hong Kong, including both the business and the government section for overall IT service and solution, increased from approximately HK$41.0 billion in 2008 to approximately HK$61.8 billion in 2013, at a CAGR of approximately 8.6%. The global financial crisis in 2008 caused enterprises to reduce their IT expenditure, as a result, customer spending on IT services and solutions slumped by approximately 7.1% in 2009. Total customer spending picked up in 2010 along with robust economic recovery.

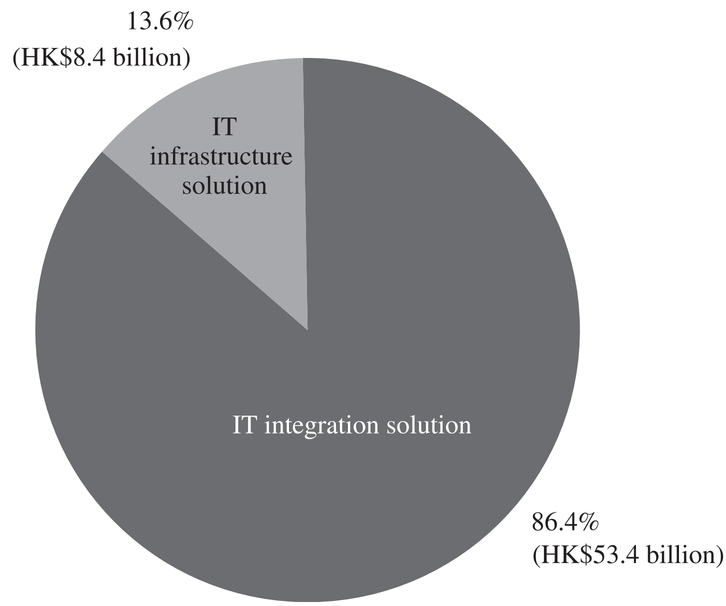
The business sector dominated customer spending on IT service and solution at approximately 91.4% in 2011, while the government shared approximately 8.6% in the same year.

It is expected that the total customer spending on IT services in Hong Kong will grow at a CAGR of approximately 5.4% from 2014 to 2016. The launch of Windows 8, touchscreen tablets and the trend to mobility will fuel demand for new IT services such as virtualisation and cloud computing. Key industries such as banking, finance and logistics are expected to continue investing in modernisation which will sustain their spending on IT services and solutions, including IT integration service and IT infrastructure solutions in Hong Kong.

Segmentation of customer spending on IT services and solutions in Hong Kong

Spending on IT integration solution is the major type of customer spending on IT services and solutions in Hong Kong, which accounted for approximately 86.4% of the total spending on IT services and solutions in Hong Kong in 2013.

Customer spending on IT services and solutions industry in Hong Kong in 2013 by categories
(Note)



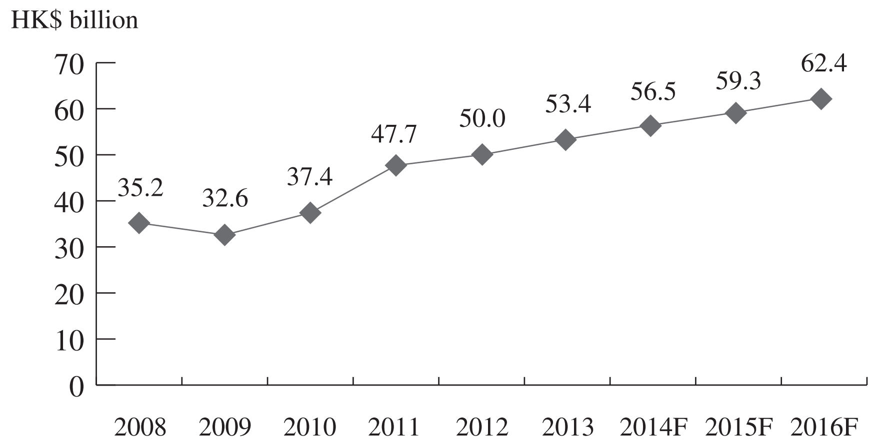
Sources: Science and Technology Statistics Section, Hong Kong Census and Statistics Department, Ipsos Report

Note: Customer spending includes both the business and the government sector for overall IT services, which include spending on IT and solution services, as well as other IT related services, such as agency fees, and after-sales caring and maintenance fees.

Customer spending on IT integration solutions is higher than the spending on IT infrastructure solutions in Hong Kong as IT integration solutions cover a larger variety of IT services, such as workplace transformation services, data center transformation services, network transformation services and operations transformation services. Besides, the HKSAR government also drove the demand for IT integration solution service in Hong Kong. For example, the HKSAR government launched programmes, such as the Digital 21 Program, to support the development of Cloud computing in Hong Kong, and determined that Hong Kong should emerge as a regional Cloud computing hub. Apart from the government sector, private companies has an increasing demand for enterprise resource planning (ERP) systems, which integrate internal and external management of information across an entire organisation-embracing finance/accounting, manufacturing, sales and service, customer relationship management, etc. ERP facilitates information flow between all business functions inside the organisation, and manages connections to outside stakeholders.

Total revenue of IT services and solutions industry in Hong Kong

Total revenue of IT service and solution industry in Hong Kong *(Note)*



Sources: Science and Technology Statistics Section, Hong Kong Census and Statistics Department, Ipsos Report

Note: Revenue includes only the revenue received by IT services and solutions providers in the industry in Hong Kong.

Revenue of IT service and solution industry in Hong Kong increased from approximately HK$35.2 billion in 2008 to HK$53.4 billion in 2013, at a CAGR of approximately 8.7%.

The global financial crisis in 2008 caused enterprises to reduce their IT expenditure, as a result, the revenue on IT service and solution slumped by approximately 7.4% in 2009. Revenue of IT service and solution industry in Hong Kong picked up in 2010 along with robust economic recovery. The increase in IT spending in the government sector also boosted the revenue of the IT service and solution industry from 2008 to 2013. The government launched the Digital 21 Programme starting from 2008 to encourage the development of informatisation in Hong Kong. The government's IT plan includes an emphasis on cloud computing, with around 300 government services already available in the government's cloud catalogue in 2012.

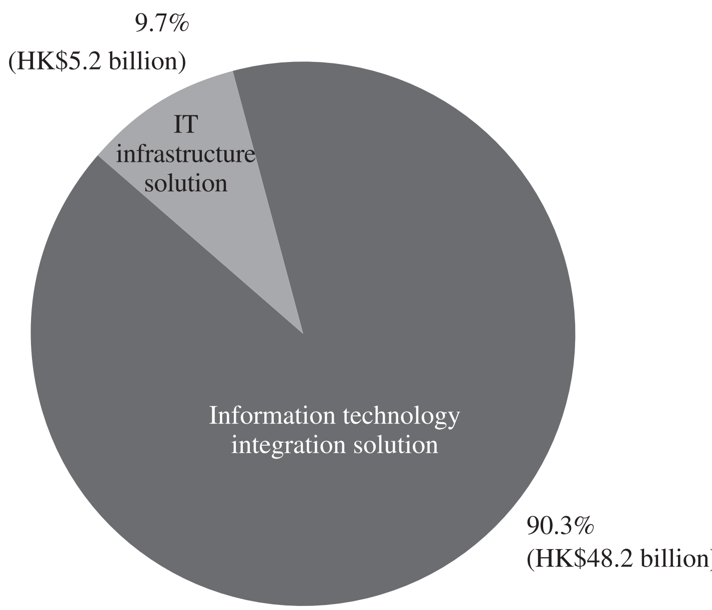
Furthermore, the growth in revenue of IT services and solutions industry in Hong Kong was driven by the increase in newly established companies. The number of newly registered local companies hit a record high of 174,031 in 2013, and the number of foreign companies establishing a place of business in Hong Kong grew to 780 in the same year. In light of increasing office rentals and a limited supply of offices, the government has increased support for the sector by releasing land for office buildings, and has planned to transform and develop Kowloon East into another business district. Therefore, the increase in the number of companies in Hong Kong drove the demand for IT services and solutions industry.

The total revenue of IT services and solutions industry in Hong Kong is expected to grow due to the demand from both the public and private sectors. According to Ipsos, the revenue of IT services and solutions industry in Hong Kong will grow at a CAGR of approximately 5.3% from 2014 to 2016. It is expected that both the private and public sectors will continue to invest in modernisation which will sustain their spending on IT services, including IT integration services and IT infrastructure solutions in Hong Kong. For example, the Hong Kong government budgeted US$31 million for building a larger-scale government Cloud platform, called GovCloud in 2013. The system will host computing resources for 30 bureaus and departments within the Hong Kong government and cloud-ready systems such as e-procurement, e-information management and e-human resources management.

Segmentation of revenue of IT services and solutions industry in Hong Kong

Revenue derived from IT integration solutions is the major source of customer revenue of IT services and solutions industry in Hong Kong, which accounted for approximately 90.3% of the total revenue of IT services and solutions in Hong Kong in 2013.

Total revenue of IT service and solution industry in Hong Kong in 2013 by categories *(Note)*



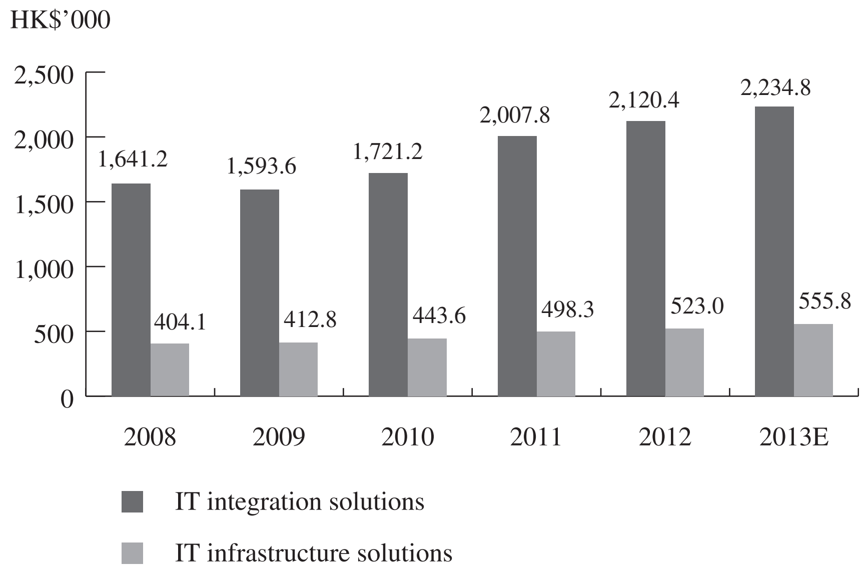
Sources: Science and Technology Statistics Section, Hong Kong Census and Statistics Department, Ipsos Report

Note: Revenue includes only the revenue received by IT services and solutions providers in the industry in Hong Kong.

According to Ipsos, provision of IT integration solution services has higher profit margin than IT infrastructure solutions as companies do not have to pay the cost of hardware when providing IT integration solutions service, causing more IT service companies to offer such service in the market. Traditional hardware providers also started to offer IT integration solutions and consulting services to the market in order to obtain higher profit margin.

Price trend of IT services and solutions in Hong Kong

Average price of IT services and solutions (per contract) in Hong Kong *(Note)*



Source: Ipsos Report

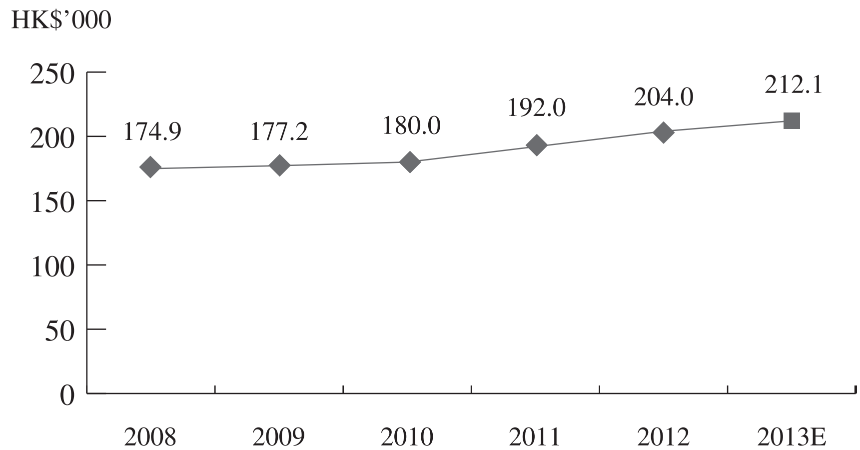
Note: Based on revenue received by IT services and solutions providers in the industry in Hong Kong only.

The average contract price of IT integration solutions increased at a CAGR of approximately 6.4%, from approximately HK$1,641,200 in 2008 to approximately HK$2,234,800 in 2013. The increase in average contract price of IT integration solution is mainly due to the higher demand for the service resulted from factors mentioned above.

The average contract price of IT infrastructure solution increased at a CAGR of approximately 6.6%, from approximately HK$404,100 in 2008 to about HK$555,800 in 2013. The increase in average contract price of IT infrastructure solutions was mainly due to the increase in selling price for hardware and software products over the period from 2008 to 2013.

Average salary trend of IT professionals in Hong Kong

Average annual salary of IT professionals in Hong Kong



Source: Ipsos Report

According to Ipsos, salary of IT professionals is the major cost of IT services and solutions providers. The persistent demand for skilled IT professionals in Hong Kong has caused the steady growth in the salary of IT professionals in Hong Kong.

The average annual salary of IT professionals in Hong Kong grew steadily from approximately HK$174,900 in 2008 to approximately HK$212,100 in 2013, at a CAGR of approximately 3.9%. Recovery from the global financial crisis and the positive outlook of the PRC and other emerging markets boosted the demand for IT professionals in Hong Kong from 2008 to 2013. Despite the difficult economic conditions in other parts of the world as a result of the deepening European debt crisis, Hong Kong still saw strong salary growth in 2013.

Although the supply of IT professionals in Hong Kong were largely in line with the growing demand in Hong Kong, the quality of supply currently lags behind. IT professionals in Hong Kong continued to be of high demand in the industry for the following reasons:

- Hong Kong's infrastructure, development and business markets remain active, therefore, skilled professionals are in high demand.
- There remains a trend for enterprises on outsourcing and using systems integrators and vendors rather than developing their own internal supporting team.
- The growing popularity of Cloud computing and the use of data centres raises the demand for IT professionals skilled in Cloud computing and working within data centres.

As a result, the average salary of IT professionals in Hong Kong is expected to continue along the growing inflation in Hong Kong.

COMPETITIVE ANALYSIS OF IT SERVICES AND SOLUTIONS INDUSTRY IN HONG KONG

Competitive situation of the IT services and solutions industry in Hong Kong

The IT services and solutions industry is fragmented; there were approximately 12,035 IT services and solutions providers in Hong Kong in 2013. The majority of these providers are engaged in IT integration solution services with approximately 80% of them being small and medium enterprises with less than 20 employees. Larger-scale IT services and solutions service providers generally are able to provide one-stop services and serve multi-national enterprises and government bureaus due to their reputation and track record. The top five IT services and solutions providers only accounted for approximately 5.0% of the total market revenue in 2013. Service providers mainly compete on brand name, reputation, customer relationship and service scope in the market.

Top five IT services and solutions providers in Hong Kong

Top five IT services and solutions providers in Hong Kong in 2013 are as follows:

Rank	Company	Headquarters	Background	Revenue in 2013 *(HK$ million)*	Share of total industry revenue *(%)*
1	Competitor A	Hong Kong	A listed company in Hong Kong involved in IT integration solution and IT infrastructure solution	1,293.3	2.4%
2	Competitor B	Hong Kong	A member of a listed company in London with a diversified business group focusing principally in Asia, including IT integration solution and IT infrastructure solution	671.3	1.3%
3	Competitor C	US	A listed company in New York involved in IT integration solution and IT infrastructure solution	305.0	0.6%
4	Our Group	Hong Kong	Involved in IT integration solution and IT infrastructure solution	190.0	0.4%
5	Competitor D	Hong Kong	A listed company in Hong Kong involved in IT integration solution and IT infrastructure solution	180.4	0.3%
Others				50,782.3	95%
Total				53,422.3	100%

Sources: Ipsos Report

Factors of competition

Brand name and reputation, relationships with customers and one-stop services are the key factors of competition in the IT services and solutions industry.

Brand name and reputation

Reputation of IT services and solutions service providers is built on trust and sense of security. IT services and solutions service providers are involved in handling internal IT and security systems which are highly confidential. Their strong reputation can give confidence to clients in data security and reliable services. In addition, IT services and solutions service providers are striving to enhance their brand name and reputation to attract new clients. A stronger reputable brand name enables service providers to compete with other players and gain business from large enterprises.

Relationships with customers

Customers tend to engage the same service provider for IT services and solutions services, because service providers need to have deep knowledge and understanding about the internal IT systems of the customers. Hence, IT services and solutions service providers are competing in order to broaden their customer base and maintain the relationship with existing clients to sustain their business.

One-stop services

IT services and solutions service providers are to provide one-stop service from IT integration solution to IT infrastructure solution are able to attract clients as clients can obtain a one-stop service from the same service provider, and therefore save their time in searching for other service providers. Larger-scale IT services and solutions service providers, which accounts for approximately 20% of the total market players in Hong Kong, generally are able to provide one-stop services.

Entry barriers

According to Ipsos, partnership with renowned hardware/software manufacturers and lack of skilled talents set barriers for new entrants into the IT services and solutions industry in Hong Kong.

Partnership with renowned hardware/software manufacturers

IT applications and solutions development involve combining the technology of various hardware manufacturers and software developers, by integrating products of different brands. IT service and solutions service provider rely on good relationships with leading hardware or software manufacturers. New entrants without partnership relationships with renowned manufacturers will face high entry barrier into the industry.

Lack of skilled talents

The IT service and solution industry is a skill intensive industry, the quality of IT services and solutions services highly depends on the skill and experience of the staff. It requires the staff to have sound technical knowledge with the relevant computer systems.

HONG KONG LAWS AND REGULATIONS

There are no specific statutory requirements for our Group to obtain any licences for carrying on its businesses in Hong Kong other than the general legal requirement for the applying and obtaining valid business registration certificate under the Business Registration Ordinance, Chapter 310 of the Laws of Hong Kong and with the exception to the specific statutory requirement that valid licence shall be obtained to cover the import of certain strategic commodities from the Director-General of Trade and Industry by our Group, there are no specific statutory provisions to regulate the business activities carried out by our Group in Hong Kong other than the general statutory provisions applicable to the businesses involving the sales of goods and supply of services.

Business registration

The Business Registration Ordinance requires every person carrying on any business shall make application to the Commissioner of Inland Revenue in the prescribed manner for the registration of that business. The Commissioner of Inland Revenue must register each business for which a business registration application is made and as soon as practicable after the prescribed business registration fee and levy are paid and issue a business registration certificate or branch registration certificate for the relevant business or the relevant branch as the case may be.

Supply of goods

The Sales of Goods Ordinance, Chapter 26 of the Laws of Hong Kong which aims to codify the laws relating to the sale of goods provides that:

(a) under section 15, where there is a contract for the sale of goods by description, there is an implied condition that the goods shall correspond with the description;

(b) under section 16, where a seller sells goods in the course of a business, there is an implied condition that the goods supplied under the contract are of merchantable quality, except that there is no such condition (i) as regards to defects specifically drawn to the buyer's attention before the contract is made; or (ii) if the buyer examines the goods before the contract is made, as regards defects which that examination ought to reveal; or (iii) if the contract is a contract by sample, as regards defects which would have been apparent on a reasonable examination of the sample; and

(c) under section 17, where there is a contract for sale by sample, there are implied conditions that (i) the bulk shall correspond with the sample in quality, (ii) the buyer shall have a reasonable opportunity of comparing the bulk with the sample, and (iii) the goods shall be free from any defects, rendering them unmerchantable, which would not be apparent on reasonable examination of the sample.

Where any right, duty or liability would arise under a contract of sale of goods by implication of law, it may (subject to the Control of Exemption Clauses Ordinance, Chapter 71 of the Laws of Hong Kong) be negative or varied by express agreement, or by course of dealings between the parties, or by usage if the usage is such as to bind both parties to the contract.

Supply of services

The Supply of Services (Implied Terms) Ordinance, Chapter 457 of the Laws of Hong Kong which aims consolidate and amend the laws with respect to the terms to be implied in contract for the supply of services (including a contract for the supply of a service whether or not goods are also transferred or to be transferred, or bailed or to be bailed by way of hire) provides that:

(a) where the supplier is acting in the course of a business, there is an implied term that the supplier will carry out the service with reasonable care and skill; and

(b) where the supplier is acting in the course of a business, the time for service to be carried out is not fixed, is not left to be fixed in a manner agreed by the contract or is not determined by the course of dealing between the parties, there is an implied term that the supplier will carry out the service within a reasonable time.

Where a supplier is dealing with a party to a contract for supply of service who deals as a consumer, the supplier cannot, by reference to any contract term, exclude or restrict any liability of him arising under the contract by virtue of the Supply of Services (Implied Terms) Ordinance. Otherwise, where any right, duty or liability would arise under a contract for the supply of a service by virtue of the Supply of Services (Implied Terms) Ordinance, it may (subject to the Control of Exemption Clauses Ordinance) be negative or varied by express agreement, or by the course of dealing between the parties, or by such usage as binds both parties to the contract.

Control of exemption clauses

The Control of Exemption Clauses Ordinance, Chapter 71 of the Laws of Hong Kong, which aims to limit the extent to which civil liability for breach of contract, or for negligence or other breach of duty, can be avoided by means of contract terms and otherwise provides that:

(a) under section 7, a person cannot by reference to any contract term or to a notice given to persons generally or to particular persons exclude or restrict his liability for death or personal injury resulting from negligence and in the case of other loss or damage, a person cannot exclude or restrict his liability for negligence except in so far as the term or notice satisfies the requirements of reasonableness;

(b) under section 8, as between contracting parties where one of them deals as consumer or on the other's written standard terms of business, as against that party, the other cannot by reference to any contract term (i) when himself in breach of contract, exclude or restrict any liability of his in respect of the breach, or (ii) claim to be entitled to render a contractual performance substantially different from that which was reasonably expected of him, or (iii) claim to be entitled in respect of the whole or any part of his contractual obligation, to render no performance at all, except in so far as the contract term satisfies the requirement of reasonableness;

(c) under section 9, a person dealing as a consumer cannot by reference to any contract term be made to indemnify another person in respect of liability that may be incurred by the other for negligence or breach of contract, except in so far as the contract term satisfies the requirement of reasonableness; and

(d) under section 11, as against a person dealing as consumer, the liability for breach of the obligations arising under section 15, 16 and 17 of the Sales of Goods Ordinance cannot be excluded or restricted by reference to any contract term, and as against person dealing otherwise than as consumer, the liability arising under section 15, 16 and 17 of the Sales of Goods Ordinance can be excluded or restricted by reference to a contract term, but only in so far as the terms satisfying the requirement of reasonableness.

Sections 7, 8 and 9 of the Control of Exemption Clauses Ordinance do not apply to any contract so far as it relates to the creation or transfer of a right or interest in any patent, trade mark, copyright, registered design, technical or commercial information or other intellectual property, or relates to the termination of any such right or interest.

In relation to a contract term, the requirement of reasonableness for the purpose of the Control of Exemption Clauses Ordinance is satisfied only if the court or arbitrator determines that the term was a fair and reasonable one to be included having regarded to the circumstances which were, or ought reasonably to have been, known to or in the contemplation of the parties when the contract was made.

Strategic commodities

The Import and Export Ordinance, Chapter 60 of the Laws of Hong Kong, requires the import and export of the articles contained in the schedules to the Import and Export (Strategic Commodities) Regulations (the "Regulations") must be covered by valid licences issued by the Director-General of Trade and Industry. Encryption products with a symmetric key length above 56-bits which our Group imported during the Track Record Period are articles contained in the schedules of the Regulations to which the import and export are subject to the licensing control.

Licence applications should be made for the import and export of the strategic commodities and be submitted to the Strategic Trade Controls Branch of the Trade and Industry Department. On issuing of a licence, apart from the standard licence conditions, the Director-General of Trade and Industry may, depending on circumstances of individual cases, impose special and additional conditions on approved licences. For encryption products, one very common special licence condition is that no future re-export, resale, transfer, or disposal of the goods is allowed without prior notice to and approval from the Director-General of Trade and Industry.

PRC LAWS AND REGULATIONS

There are no specific statutory requirements for our Group's PRC subsidiaries to obtain any licences for carrying on its business of computer software development (計算機軟件開發), computer software and hardware trading (計算機軟硬件銷售) and technical services for computer software and hardware (計算機技術支持服務) in the PRC and there are no specific laws to regulate these business activities carried out by Group's PRC subsidiaries in the PRC.

Foreign-Invested company law

According to the PRC Law on Wholly Foreign-owned enterprises (中華人民共和國外資企業法), which was promulgated on 12 April 1986 by the National People's Congress and amended on 31 October 2000 by the Standing Committee of the National People's Congress, the investments, profits, and other lawful rights and interests of a foreign investor are protected in the PRC. A foreign investor may remit abroad profits and other legal earnings from a wholly foreign-owned enterprise, as well as any remaining funds when the enterprise is liquidated.

According to the Implementation Rules on the PRC Law on Wholly Foreign-owned Enterprises (中華人民共和國外資企業法實施細則) ("Implementation Rules"), which was promulgated on 12 December 1990 by the Ministry of Foreign Trade and Economic Cooperation and amended on 12 April 2001 by the State Council of the PRC, the articles of association of a wholly foreign-owned enterprises shall become effective upon the approval by the examining and approving authority and the same procedures shall apply whenever any amendments thereto are made. Any division, merger, or any significant change in the registered capital of a wholly foreign-owned enterprise shall be subject to approval by the examining and approving authority. The enterprise shall engage a PRC qualified auditor for a capital verification report. Upon approval by the examining and approving authority, registration shall be made with the Administrative Bureau for Industry and Commerce.

Environmental Protection Law

The Environmental Protection Law of the PRC (中華人民共和國環境保護法), which came into force on 26 December 1989, lays down the basic legal framework for environmental protection in PRC. The purpose of the Environmental Protection Law is to protect and enhance the living environment, prevent and cure pollution and other public hazards, and safeguard human health. The State Environment Protection Administration is responsible for the overall supervision and administration of environmental protection in the PRC and for formulating national standards for the discharge of waste materials. Local environmental protection bureaus at the county level and above are responsible for the supervision and administration of environmental protection within their jurisdiction.

Our Company's PRC subsidiary is not manufacturing enterprise that produce pollutants during operation. According to our Company's confirmation, the PRC subsidiary has never been subject to any administrative penalties for violations of relevant environmental protection laws and regulations.

The Labor Law of the PRC (中華人民共和國勞動法) and Labor Contract Law of the PRC (中華人民共和國勞動合同法)

The Labor Law of the PRC, promulgated by the Standing Committee of the National People's Congress on 5 June 1994 and effective as of 1 January 1995, and the Labor Contract Law of the PRC, promulgated by the Standing Committee of the National People's Congress on 29 June 2007 and effective as of 1 January 2008, provide that employers must enter into employment contracts with their employees based on the principles of equality, consent and agreement through consultation. Employers must establish and effectively implement a system to ensure occupational safety and health, employee education on occupational safety and health, preventing work-related accidents and reducing occupational hazards. Employers must also pay for their employees' social insurance premium.

Social Insurance Law of the PRC (中華人民共和國社會保險法)

Social insurance law of the PRC, promulgated by the Standing Committee of the National People's Congress on 28 October 2010 and effective as of 1 July 2011, was formulated in accordance with the Constitution for purposes of regulating social insurance relationships, protecting the legitimate rights and interests of citizens participating in social insurance and eligible for social insurance benefits, enabling citizens to share the achievements of development, and promoting social harmony and stability.

According to the provisions of social insurance law of the PRC, an employer shall pay the basic pension insurance premium, basic medical insurance premium, employment injury insurance premium, unemployment insurance premium, maternity insurance premium for its employees. An employer failing to make full payment of social insurance premium in due time shall be ordered by the social insurance premium collection agency to pay or make up the balance within a prescribed time limit, and as of date of overdue, be subject to an overdue fine of 0.05%; an employer failing to make the payment within the prescribed time limit shall be subject to a fine of one to three times of the amount of overdue premium imposed by the relevant administrative department.

Regulations on Management of Housing Provident Fund (住房公積金管理條例)

Regulations on Management of Housing Provident Fund was promulgated by the State Council of PRC on 3 April 1999, and revised on 24 March 2002. These regulations are formulated for the purpose of strengthening the management of housing provident fund, safeguarding the lawful rights and interests of owners of housing provident fund, promoting the construction of houses in cities and towns, and improving housing standards of residents in cities and towns.

Pursuant to these regulations, an employer shall pay and deposit housing provident fund on schedule and in full, and may not be overdue in the payment and deposit or underpay the housing provident fund. Where, in violation of the provisions of these Regulations, an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the payment and deposit within a prescribed time limit; where the payment and deposit have not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

According to our Company's confirmation, its PRC subsidiary has duly paid social insurance premium and housing provident fund for all of their employees and since their establishment, has never been subject to any administrative penalties for violations of relevant social insurance and housing provident fund laws and regulations.

Income tax

Prior to 1 January 2008, income tax payable by foreign-invested enterprises ("FIEs") in the PRC was governed by the Income Tax Law of the PRC for Enterprises with Foreign Investment and Foreign Enterprises (中華人民共和國外商投資企業和外國企業所得稅法) (the "FIE Tax Law") promulgated on 9 April 1991, which became effective on 1 July 1991, and the related implementation rules. Under the FIE Tax Law, an FIE was subject to a national income tax at the rate of 30% and a local tax at the rate of 3% unless a lower rate was provided by laws or administrative regulations. The income tax on FIEs established in Special Economic Zones, foreign enterprises which had establishments or places in Special Economic Zones and were engaged in production or business operations, and FIEs of a production nature in Economic and Technological Development Zones, was levied at the reduced rate of 15%. The income tax on FIEs of a production nature established in coastal economic open zones or in the old urban districts of cities where the Special Economic Zones or the Economic and Technological development Zones are located, was levied at the reduced rate of 24%. FIEs of a production nature scheduled to operate for a period of not less than ten years were exempted from income tax for two years commencing from the first profit-making year (after offsetting all tax losses carried forward from previous years) and allowed a fifty percent reduction in the following three consecutive years.

Under the EIT Law and relevant rules, the income tax for both PRC domestic enterprises and FIEs is levied at the same rate of 25% effective from 1 January 2008. Qualified FIEs may have a 5-year phase-out period with a different income tax rate of 18%, 20%, 22%, 24% and 25% levied each year from 2008 to 2012.

Value-added tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (中華人民共和國增值稅暫行條例) which became effective on 1 January 2009 and relevant implementation rules, all units or individuals in the PRC engaged in the sale or importation of goods of goods and the provision of processing, repairs and replacement services, and the importation of goods are required to pay value-added tax ("VAT"). Small-scale taxpayers (for example, those whose annual taxable sales amount is below RMB0.8 million) engaged in selling goods or taxable services shall use a simplified method for calculating the tax payable and the tax payable shall be calculated based on the sales amount and a tax rate of 3%. The taxpayers other than the small-scale taxpayers ("ordinary taxpayers") shall apply to the competent tax authorities for qualification verification. For ordinary taxpayers, VAT payable is calculated on the basis of "output VAT" minus "input VAT" and except otherwise provided, the VAT rate is 17%.

According to the Pilot Implementation Rules of Levying VAT in Lieu of Business Tax on the Transportation Industry and Some Modern Service Industries (交通運輸業和部分現代服務業營業稅改征增值稅試點實施辦法) which became effective on 1 January 2012 and relevant rules, taxpayers engaged in providing modern services (except for leasing tangible properties) are subject to a VAT rate of 6%.

Foreign Currency Administration Rules of the PRC (中華人民共和國外匯管理條例)

The principal regulation governing foreign currency exchange in the PRC is the Foreign Currency Administration Rules of the PRC, which was issued by the State Council. The Rules took effect on 29 January 1996 and was subsequently amended on 14 January 1997 and 1 August 2008. Under these rules, foreign-invested enterprises in the PRC may purchase foreign exchange for trade and services-related foreign exchange transactions without the approval of SAFE by providing commercial documents evidencing such transactions. Subject to a cap approved by SAFE, they may also retain foreign exchange to satisfy foreign exchange liabilities or to pay dividends. In addition, foreign exchange transactions involving direct investment, loans, and investment in securities outside the PRC are subject to limitations and require approvals from SAFE.

On 4 July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents Engaging in Overseas Investment and Financing and Round trip Investments via Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融

資及返程投資外匯管理有關問題的通知》)("Circular 37"), effective from 4 July 2014, which requires PRC residents (including PRC institutions and PRC individual residents) to register with SAFE for foreign exchange registration of overseas investments before contributing the domestic and overseas lawful assets or interests to a special purpose vehicle, and to update such registration in the event of any change of basic information of the registered special purpose vehicle or major change in capital, including increases and decreases of capital, share transfers, share swaps, mergers or divisions.

Each of Mr. Lee, Mr. Yong, Mr. Chan and Mr. Tam is Hong Kong resident whose customary residence is not in the PRC; they are not domestic resident person under Circular 37 and are not required to apply to SAFE for the foreign exchange registration in accordance with Circular 37.

Rules on Merger and Acquisition of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定)

On 8 August 2006, MOFCOM, along with State-owned Assets Supervision and Administration Commission of the State Council, State Administration of Taxation, State Administration of Industry and Commerce, China Securities Regulatory Commission ("CSRC") and SAFE issued the "Rules on Merger and Acquisition of Domestic Enterprises by Foreign Investors" (the "New M&A Rules"), and the same became effective on 8 September 2006.

The New M&A Rules mainly regulate the practice whereby a foreign investor acquires the equity interests of a shareholder of a domestic enterprise not invested by foreign investors ("Domestic Company") or subscribes for the capital increase of a Domestic Company, so as to convert and re-establish the Domestic Company as a foreign-invested enterprise ("Equity Merger and Acquisition"); and the practice whereby a foreign investor sets up a foreign invested enterprise and acquires by agreement and operates the assets of domestic enterprises through the enterprise established, or the practice whereby a foreign investor acquires the assets of domestic enterprises by agreement and sets up a foreign invested enterprise with such assets acquired to operate the assets ("Assets Merger and Acquisition").

According to Article 11 of the New M&A Rules, if a domestic natural person, in the name of a company he/she legally established or controlled outside the PRC, merges with a Domestic Company affiliated thereto, such merger and acquisition shall be subject to the approval of the MOFCOM. Article 15 provides that the parties to a merger and acquisition shall explain whether there is any affiliated relationship among themselves. Article 39 defines a SPV as an overseas company directly or indirectly controlled by a Domestic Company or domestic natural person for the purpose of the overseas listing of the interests actually held by such Domestic Company or natural person in a Domestic Company. Article 40 requires that overseas listing of a SPV shall be subject to the approval of the securities regulatory authority under the State Council.

Our Company's PRC subsidiary has been foreign-invested enterprise since its establishment, it is not the Domestic Company within the meaning of the New M&A Rules and the New M&A Rules do not apply to the overseas listing of our Company.

HISTORY AND DEVELOPMENT

Our Company

Our Company was incorporated in the Cayman Islands on 26 April 2013 as an investment holding company. As at the Latest Practicable Date, our Company had an authorised share capital of HK$100,000,000 divided into 10,000,000,000 Shares of par value of HK$0.01 each, of which 1,000 Shares had been issued and allotted to the Controlling Shareholders.

Our business history

The history of our Group can be traced back to 1992 when ICO HK was founded by Mr. Lee and Mr. Yong and the other partners. The investments in our Group by Mr. Lee and Mr. Yong were financed by their own fund. Since the commencement of business in 1993 and up to 1995, our Group was engaged in IT consultancy services. In 1995, after the establishment of ICO Technology, our business grew rapidly and we commenced the provision of IT application and solution development services, and have since then expanded and diversified our services to include secondment services, maintenance and support services and IT infrastructure solutions. Until 2009, our Group stepped in the PRC and started the business in IT programming solution development and application implementation in the PRC. During the Track Record Period, our business in the PRC has become stagnant and Tian Li Shi has suspended its business as at the Latest Practicable Date.

Our business milestones

Our Group milestones since the establishment and up to the Latest Practicable Date are set out below:

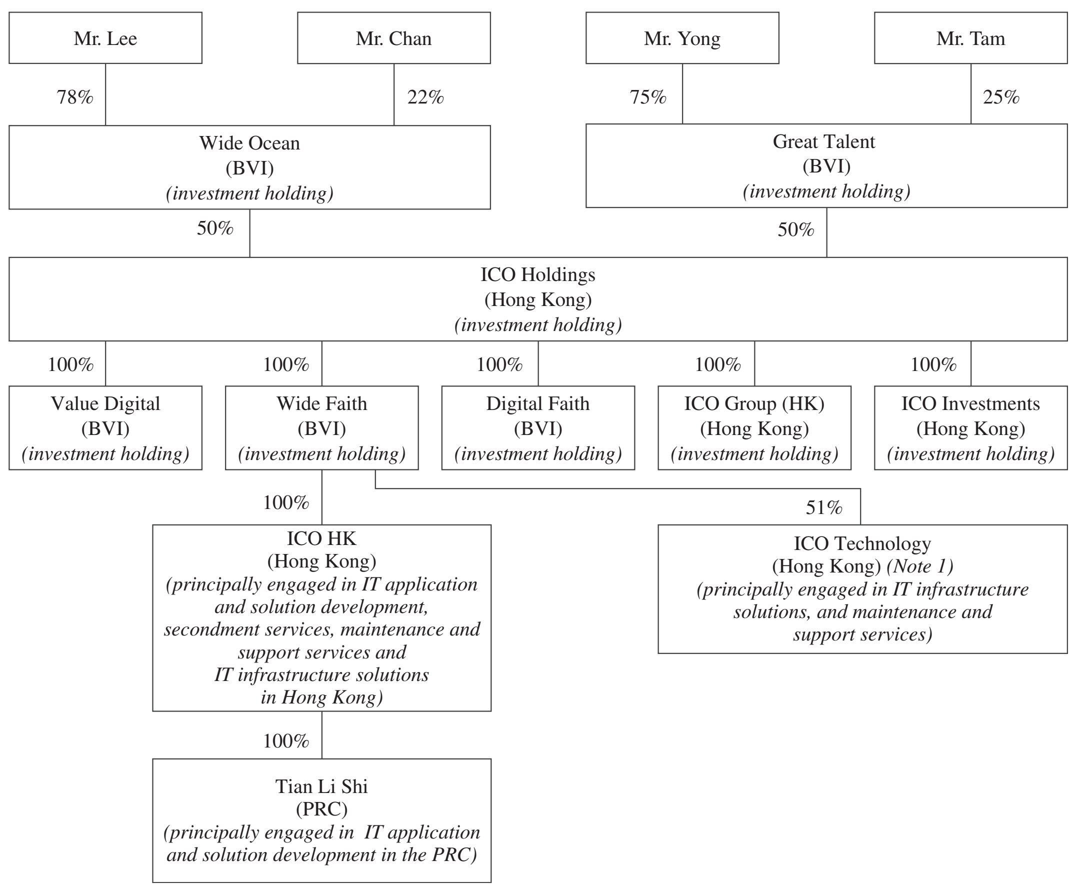
Year	Major development and achievements
1992	• ICO HK was established in Hong Kong
1995	• ICO Technology was established in Hong Kong
	• We began to provide secondment services in Hong Kong
1999	• We partnered with multinational technology and consulting corporation to develop computerised social security system for a government body
2005	• We were awarded a tender by a government body as the main contractor
2006	• We began to provide IT infrastructure solutions in Hong Kong
2008	• ICO HK entered into an agreement with a global transport and logistics company for the development of its accounting control system as the main contractor

For further particulars on business strategies of our Group, please refer to the section headed "Business" of this prospectus.

1. Corporate structure of our Group

As at the Latest Practicable Date, we had two operating subsidiaries in Hong Kong, namely ICO HK and ICO Technology, and one operating subsidiary in the PRC namely Tian Li Shi, details of which are set out in this section below.

The following chart sets out the shareholding and corporate structure, place of incorporation and principal business activities of our Group as at the Latest Practicable Date:



Note 1: As at the Latest Practicable Date, ICO Technology was held by Wide Faith and Raceline as to 51% and 49% respectively; Raceline is beneficially owned by Mr. Leung and Mr. Ho as to 60% and 40% respectively. Both Mr. Ho and Mr. Leung are directors of ICO Technology and senior management of our Group.

Wide Ocean

Wide Ocean was incorporated in the BVI with limited liability on 1 February 2000 for investment holding purposes. On 3 March 2000, 2 shares were allotted and issued to Mr. Lee and Mr. Chan equally fully paid at par. On 8 September 2006, 98 fully paid shares were allotted and issued to Mr. Lee and Mr. Chan equally at par and on the same day Mr. Chan transferred his 28 shares in Wide Ocean to Mr. Lee at a consideration of HK$1,750,000. Since then and as at the Latest Practicable Date, Wide Ocean was owned by Mr. Lee and Mr. Chan as to 78% and 22% respectively.

Great Talent

Great Talent was incorporated in the BVI with limited liability on 10 February 2000 for investment holding purposes. On 3 March 2000, two shares were allotted and issued to Mr. Yong and Mr. Tam equally fully paid at par. By a declaration of trust dated 1 April 2012 made by Mr. Tam, Mr. Tam declared that he held 50% beneficial interest in the one share of Great Talent registered in his name on trust for the benefit of Mr. Yong since 1 April 2012. On 19 November 2013, Mr. Tam and Mr. Yong cancelled the trust arrangement and Great Talent allotted and issued 74 shares of US$1.00 each to Mr. Yong at par and 24 shares of US$1.00 each to Mr. Tam at par, all credited as fully paid. Accordingly, Mr. Yong and Mr. Tam held the equity interest in Great Talent in proportion of 75% and 25% respectively.

ICO Holdings

ICO Holdings was incorporated in Hong Kong with limited liability on 15 March 2000 as an investment holding company with an authorised share capital of HK$10,000 divided into 10,000 ordinary shares of HK$1.00 each and all of which were subscribed by Wide Ocean and Great Talent equally. After the Reorganisation as set out in the paragraph "Reorganisation" in this section, ICO Holdings became an indirect wholly-owned subsidiary of our Company.

Value Digital

Value Digital is an indirect wholly-owned subsidiary of our Company and wholly owned by ICO Holdings. It was incorporated in the BVI with limited liability on 17 May 2002 for investment holding purpose. At the time of incorporation, one fully paid share was issued to its subscriber and immediately transferred to ICO Holdings on the same day.

Wide Faith

Wide Faith is an indirect wholly-owned subsidiary of our Company and wholly owned by ICO Holdings. It was incorporated in the BVI with limited liability on 5 January 2000 for investment holding purposes. At the time of incorporation, 25 fully paid shares were issued to each of Mr. Chan, Mr. Lee, Mr. Tam and Mr. Yong. On 28 March 2000, each of Mr. Chan, Mr. Lee, Mr. Tam and Mr. Yong transferred their respective shares in Wide Faith to ICO Holdings.

Digital Faith

Digital Faith is an indirect wholly-owned subsidiary of our Company and wholly owned by ICO Holdings. It was incorporated in the BVI with limited liability on 2 January 2002 for investment holding purpose. At the time of incorporation, one fully paid share was issued to its subscriber and immediately transferred to ICO Holdings on the same day.

ICO Group (HK)

ICO Group (HK) is an indirect wholly-owned subsidiary of our Company and wholly owned by ICO Holdings for investment holding purpose. It was incorporated in Hong Kong with limited liability on 6 May 2013 with an authorised share capital of HK$10,000 divided into 10,000 shares of HK$1.00 each, of which one share was subscribed by ICO Holdings at the time of incorporation.

ICO Investments

ICO Investments is an indirect wholly-owned subsidiary of our Company and wholly owned by ICO Holdings. It was incorporated in Hong Kong with limited liability on 18 April 2013 with an authorised share capital of HK$10,000 divided into 10,000 shares of HK$1.00 each, of which one subscriber share was allotted and issued to ICO Holdings at the time of incorporation.

ICO Investments is the registered owner and applicant of all the trademarks of our Group.

ICO HK

ICO HK is an indirect wholly-owned subsidiary of our Company and beneficially wholly owned by Wide Faith. It was incorporated in Hong Kong with limited liability on 29 October 1992, with an initial authorised share capital of HK$10,000 divided into 10,000 shares of HK$1.00 each, of which two shares were fully paid and issued to its subscribers. On 3 December 1992, ICO HK's subscriber shares were transferred equally to Technix Technology Limited (formerly known as Technix Limited) ("Technix") at par, which was then held by Mr. Lee, Mr. Yong, Mr. Chan Kwok Fai and Mr. Cheung Siu Nang Bruce in equal shares, and New Method Consultants Limited ("New Method") at par, which was then held by Mr. Shiu Wai Tat and Mr. Tam in equal shares. On 15 December 1992 the authorised share capital of ICO HK was increased from HK$10,000 to HK$200,000 by the creation of 190,000 new shares of HK$1.00 each and each of Technix and New Method was allotted and issued 99,999 shares of ICO HK on 15 December 1992 at par. On 6 June 1996, Technix transferred its 100,000 shares in ICO HK to Mr. Lee and Mr. Tam in equal shares at a total consideration of HK$100,000, and New Method transferred its 100,000 shares in ICO HK to Mr. Yong and Mr. Chan in equal shares at a total consideration of HK$100,000. ICO HK was then directly owned as to 25% by Mr. Lee, 25% by Mr. Chan, 25% by Mr. Yong and 25% by Mr. Tam.

On 24 January 1997, the registered share capital of ICO HK was increased from HK$200,000 to HK$1,000,000 by the creation of 800,000 new shares of HK$1.00 each and these 800,000 new shares were allotted and issued to Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam in equal numbers at par so as to allow each of them to maintain their 25% equity interest in ICO HK.

On 8 November 2000, Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam collectively transferred each of their shareholdings in ICO HK to Wide Faith at a total consideration of HK$1,000,000 and Wide Faith transferred 1 share in ICO HK to Great Talent, which held the share on trust for Wide Faith. As at the Latest Practicable Date, ICO HK was a direct wholly-owned subsidiary of Wide Faith and an indirect wholly-owned subsidiary of our Company.

ICO HK has been providing IT consultancy and services since 1993 and is currently engaged in (i) IT application and solution development services; (ii) secondment services; (iii) maintenance and support services; and (iv) IT infrastructure solutions in Hong Kong.

Tian Li Shi

Tian Li Shi is a wholly foreign-owned enterprise incorporated in the PRC on 1 September 2009 with a registered capital of HK$600,000. The relevant business licence was granted to Tian Li Shi on 1 September 2009. According to the business licence, the scope of business of Tian Li Shi includes IT consultancy services, computer systems integration, IT application implementation and design, etc. The paid up capital of Tian Li Shi amounted to HK$600,000, all of which was contributed by ICO HK. As at the Latest Practicable Date, Tian Li Shi remained a direct wholly-owned subsidiary of ICO HK and an indirect wholly-owned subsidiary of our Company.

During the Track Record Period, Tian Li Shi was principally engaged in the provision of IT application and solution development in the PRC. However, its business has become stagnant since mid-2012. Tian Li Shi has suspended its business operation since April 2012. Our Directors confirm that there are no outstanding warranties from our PRC business. Our Directors will review the future business development of Tian Li Shi and its role in our Group. As at the Latest Practicable Date, our Group has no current business operation in the PRC.

ICO Technology

ICO Technology, the other operating arm of our Group, was incorporated in Hong Kong with limited liability on 26 September 1995 by Mr. Lee, Mr. Tam and Mr. Chan with an authorised share capital of HK$500,000 divided into 500,000 shares of HK$1.00 each of which an initial 150,000 shares were allotted and issued to Mr. Lee, Mr. Tam and Mr. Chan equally at par. On 18 July 1996, Mr. Lee and Mr. Chan transferred their respective 50,000 shares in ICO Technology to ICO HK each at a consideration of HK$50,000 and Mr. Tam transferred his 50,000 shares in ICO Technology to Excel Systems Limited (“Excel”) at a consideration of HK$50,000. On 19 July 1996, the authorised share capital of ICO Technology was increased to HK$1,000,000 by the creation of 500,000 new shares of HK$1.00 each. Following the increase of its authorised share capital, on 19 July 1996, 300,000 shares were allotted and issued to ICO HK and 550,000 shares were allotted and issued to Excel by subscription. On 13 January 1998, ICO HK acquired the 600,000 shares in ICO Technology from Excel at a consideration of HK$600,000 and transferred the entire shareholding in ICO Technology to Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam equally at a total consideration of HK$1,000,000. ICO Technology was then directly owned as to 25% by Mr. Lee, 25% by Mr. Chan, 25% by Mr. Yong and 25% by Mr. Tam. On 8 November 2000, Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam transferred each of their entire shareholding in ICO Technology to Wide Faith at a total consideration of HK$1,000,000 and on the same day Wide Faith transferred one share in ICO Technology to Great Talent to hold on trust for Wide Faith under a declaration of trust dated 8 November 2000.

On 5 December 2006, Wide Faith disposed of 490,000 shares in ICO Technology, representing 49% equity interest in ICO Technology, to Raceline at a consideration of HK$490,000 and since then and as at the Latest Practicable Date, ICO Technology remained a 51% owned subsidiary of Wide Faith and an indirect subsidiary of our Company.

ICO Technology is principally engaged in the provision of IT infrastructure solutions and provision of maintenance and support services in Hong Kong. By inviting the investment of Raceline, ICO Technology has drawn in the knowledge and experiences of Mr. Leung and Mr. Ho, the directors of Raceline, in providing IT infrastructure solutions.

ICO Technology (China)

ICO Technology (China) was incorporated in Hong Kong with limited liability on 13 October 2008 as an investment holding company, with an authorised share capital of HK$10,000 divided into 10,000 shares of HK$1.00 each, of which 1,000 subscriber shares were allotted and issued to ICO Technology at par. On 21 May 2009, ICO Technology at a consideration of HK$300 transferred 300 shares in ICO Technology (China), representing 30% equity interest in ICO Technology (China), to Smart Flow International Limited, an Independent Third Party, which on 28 June 2011 transferred the said 300 shares to Time Profit at a consideration of HK$300. ICO Technology (China) was then owned by ICO Technology and Time Profit as to 70% and 30% respectively. ICO Technology (China) held the entire equity interest of Shenzhen Kai Gang and was disposed of to an Independent Third Party on 1 April 2013. For details, please refer to the paragraph headed "Disposal of ICO Technology (China)" below.

Shenzhen Kai Gang

Shenzhen Kai Gang was a wholly foreign-owned enterprise established by ICO Technology (China) in the PRC on 6 March 2009 with a registered capital of RMB5,000,000. The paid up capital of Shenzhen Kai Gang amounted to RMB5,000,000, all of which was contributed by ICO Technology (China). Before the disposal of ICO Technology (China), Shenzhen Kai Gang was an indirect non-wholly owned subsidiary of our Company, and its principal business activity was the provision of IT infrastructure solutions in the PRC.

2. Business focuses and customer bases of our operating arms

During the Track Record Period, ICO HK and ICO Technology have different business focuses and customer bases. ICO HK has long been focusing on IT application and solution development, secondment, and maintenance and support services. In 2006, we began providing IT infrastructure solutions through ICO Technology upon the joining of Mr. Leung and Mr. Ho. The following table sets out the principal businesses and customer bases of ICO HK and ICO Technology:

	ICO HK	**ICO Technology**
Principal business	• IT application and solution development • Secondment • Maintenance and support services	• IT infrastructure solution
Customer base	• Government and statutory bodies, financial institutions and general business enterprises	• Mainly financial institutions and general business enterprises

The following table sets out the percentage of our Group's revenue generated from ICO HK and ICO Technology during the Track Record Period (after elimination of intra-group transactions between ICO HK and ICO Technology):

	Year ended 31 March			Six months ended 30 September	
	2012	2013	2014	2013	2014
Revenue					
ICO HK	42.9%	44.1%	41.0%	42.1%	42.5%
ICO Technology	52.9%	53.6%	59.0%	57.9%	57.5%
Total	95.8%	97.7%	100.0%	100.0%	100.0%

The following table sets out the percentage of net profit contributed by ICO HK and ICO Technology in proportion of the net profit attributable to our Group after taking out the effect from the listing expenses.

	Year ended 31 March			Six months ended 30 September	
	2012	2013	2014	2013	2014
Net Profit attributable to our Group					
ICO HK	45.4%	95.1%	57.2%	71.9%	19.9%
ICO Technology	39.7%	36.2%	56.4%	38.2%	83.9%
Gains/(losses) contributed from other subsidiaries	14.9%	(31.3)%	(13.6)%	(10.1)%	(3.8)%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

The following table sets out the percentage of net profit contributed by ICO HK and ICO Technology in proportion of the net profit attributable to the equity owner of our Company after sharing to non-controlling interest in ICO Technology and taking out the effect from the listing expenses.

	Year ended 31 March			Six months ended 30 September	
	2012	2013	2014	2013	2014
Net Profit attributable to the equity owner of our Company					
ICO HK	58.6%	94.4%	79.0%	88.5%	33.8%
ICO Technology	26.0%	23.2%	39.8%	24.0%	72.6%
Gains/(losses) contributed from other subsidiaries	15.4%	(17.6)%	(18.8)%	(12.5)%	(6.4)%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

In view of ICO Technology is principally engaged in infrastructure solution which carried larger number of transactions in our Group during the Track Record Period, ICO Technology contributed approximately 52.9%, 53.6% and 59% of our Group's revenue for the three years ended 31 March 2012, 2013 and 2014 respectively and approximately 57.5% of our Group's revenue for the six months ended 30 September 2014. After exclusion of the non-controlling interest in ICO Technology, ICO Technology contributed less proportion to the net profit attributable to the equity owner of our Company which were approximately 26.0%, 23.2% and 39.7% for the three years ended 31 March 2012, 2013 and 2014 respectively, except for the six months ended 30 September 2014 of which ICO Technology contributed approximately 72.6% to the net profit attributable to equity owner of our Company because ICO HK had spent more resources in the bidding of Project A in the period. As contract for Project A was entered into between ICO HK and the PRC Partner in November 2014, our Directors consider that ICO HK will contribute a significant portion of revenue and profit to our Group than ICO Technology in the future. For the nine months ended 31 December 2014, ICO HK and ICO Technology contributed approximately 58.7% and 41.3% to total revenue of our Group, respectively; and ICO HK and ICO Technology contributed approximately 81.3% and 22.4% to the net profit attributable to the equity owner of our Company.

During the Track Record Period, ICO HK had provided IT infrastructure solution services to the existing customers of ICO HK under IT application and solution development, secondment services, or maintenance and support services for supporting the existing projects. The revenue generated from the IT infrastructure solution of ICO HK was immaterial to our Group. As ICO HK and ICO Technology have different business segment focus, there were no overlapping customers between ICO HK and ICO Technology in the same business segment during the Track Record Period.

With the clear internal division of businesses between ICO HK and ICO Technology, there were no conflict of interest and competition issues between ICO HK and ICO Technology during the Track Record Period. Our Directors consider that there will not be any potential conflict of interest and competition between them in the future.

3. Disposal during the Track Record Period

Disposal of ICO Technology (China)

On 1 April 2013, ICO Technology and Time Profit as vendors entered into a sale and purchase agreement to dispose of their respective 70% equity interests and 30% equity interest in ICO Technology (China) to Extendable Supports Limited ("Extendable Supports"), an Independent Third Party, at a consideration of HK$2,800,000 by cash. Such consideration was arrived at after arm's length negotiation between the parties with reference to the unaudited net asset value of Shenzhen Kai Gang as at 31 March 2013 amounting to approximately RMB2,200,000 and the unaudited accumulated loss of Shenzhen Kai Gang amounting approximately RMB2,800,000 for the year ended 31 March 2013.

Following the Disposal, ICO Technology (China) and its subsidiary, Shenzhen Kai Gang, ceased to be members of our Group.

Reasons for the Disposal

ICO Technology (China) and Shenzhen Kai Gang (the "Disposal Group") were set up for the expansion of our Group's IT infrastructure solutions business in the PRC. However, the Disposal Group had been recording loss since its establishment. Our business in PRC has been further hit by the rising labour and operating costs in Guangdong, the PRC and thus our Group decided to downsize our IT infrastructure solutions business in the PRC market so that we can concentrate on our existing business in Hong Kong. Our Group believes the Disposal is in the best interest of the Shareholders and our Group as a whole.

Having taken into consideration of the fact that (i) our Group has not invested much resources in the Disposal Group at the time of establishment; (ii) the Disposal Group only contributed approximately 2.9% and 2.3% to the revenue of our Group for the year ended 31 March 2012 and 2013; and (iii) the Disposal Group had recorded losses immediately prior to the Disposal and had been booked as loss after the Disposal for the year ended 31 March 2013, our Group considers the business of the Disposal Group and the Disposal are insignificant to our Group as a whole.

Extendable Supports is an investment holding company and its ultimate beneficial owner is an Independent Third Party. As at the Latest Practicable Date, there was no business relationship between our Group and the Disposal Group after the Disposal. The Disposal Group was engaged in the provision of IT infrastructure solutions in the PRC whereas our Group is principally engaged in the provision of IT application and solution development, secondment services, maintenance and support services and IT infrastructure solutions in Hong Kong and IT application and solution development in the PRC. According to our business plan, our Group currently has no intention to re-enter the IT infrastructure solution business in the PRC and our Directors will review the future business development of Tian Li Shi and its role in our Group. Please refer to the section "Future plans and use of proceeds" of this prospectus for more details.

As our Group does not intend to focus on the IT infrastructure solution business in the PRC after the Disposal, we consider that the Disposal Group and our Group are unlikely to compete with each other.

According to our legal adviser as to Hong Kong law, the Disposal has been conducted in line with the procedures under the applicable laws and regulations of Hong Kong and all the equity transfers have been duly stamped.

4. Parties acting in concert

On 27 February 2015, our ultimate Controlling Shareholders, namely Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam entered into the Confirmation Deed to acknowledge and confirm:

(a) that among each of them that they are parties acting in concert with each of the members of our Group (the "Relevant Companies") during the Track Record Period and up to the date of the Confirmatory Deed; and

(b) that for so long as they remain the key management members of any of the Relevant Companies and/or remain interested (either directly or indirectly) in the share capital of any of the Relevant Companies:

(i) they shall act in concert and collectively for all material management affairs and the arrival and/or execution of all commercial decisions, including but not limited to financial and operational matters, of each of the Relevant Companies;

(ii) they shall give unanimous consent, approval or rejection on any other material issues and decisions in relation to the business of the Relevant Companies;

(iii) they shall cast unanimous vote collectively for or against all resolutions in all meetings and discussions of the Relevant Companies;

(iv) they shall cooperate with each other to obtain and maintain the consolidated control and the management of the Relevant Companies; and

(v) they shall obtain written consent from all the parties to the Confirmation Deed in advance of purchasing, selling, pledging or creating any right to acquire or dispose of any securities of our Company and/or any of the Relevant Companies.

REORGANISATION

1. General

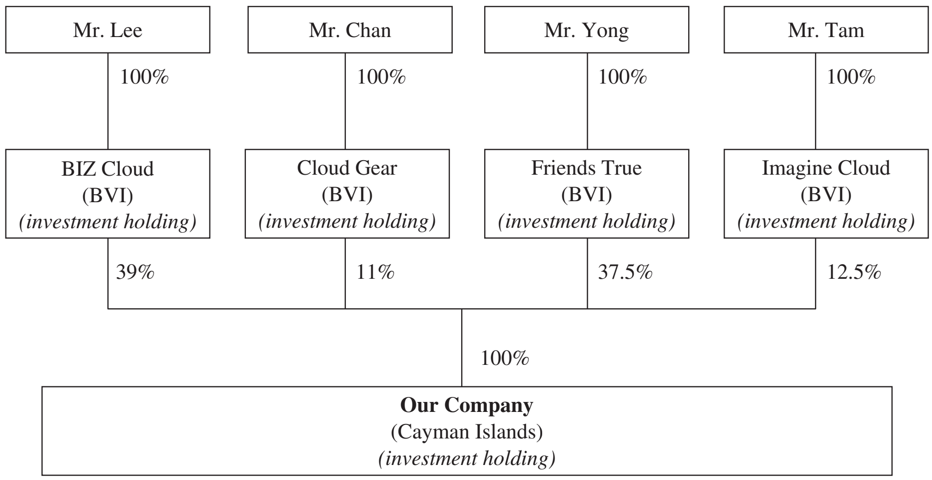
In contemplation of the Listing we underwent a reorganisation to implement a structure whereby our Company became the holding company of our Group.

2. Incorporation of our Company

On 26 April 2013, our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with an authorised share capital of HK$100,000,000 divided into 10,000,000,000 ordinary Shares of par value of HK$0.01 each, of which 1,000 Shares were allotted and issued to BIZ Cloud, Cloud Gear, Friends True and Imagine Cloud, as to 390 Shares, 110 Shares, 375 Shares and 125 Shares respectively at par. As at the Latest Practicable Date, the ultimate beneficial owners of our Company were Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam as to 39%, 11%, 37.5% and 12.5% respectively.

On 30 July 2013, our Company was registered in Hong Kong as a non-Hong Kong company under Part XI of the Predecessor Companies Ordinance.

The corporate structure of our Company as at the Latest Practicable Date was as follows:



3. Disposal of the Disposal Group

Pursuant to the sale and purchase agreement dated 1 April 2013 between ICO Technology and Time Profit as vendors and Extendable Supports as purchaser regarding the Disposal, the Disposal Group ceased to be members of our Group after the completion of the Disposal on 1 April 2013.

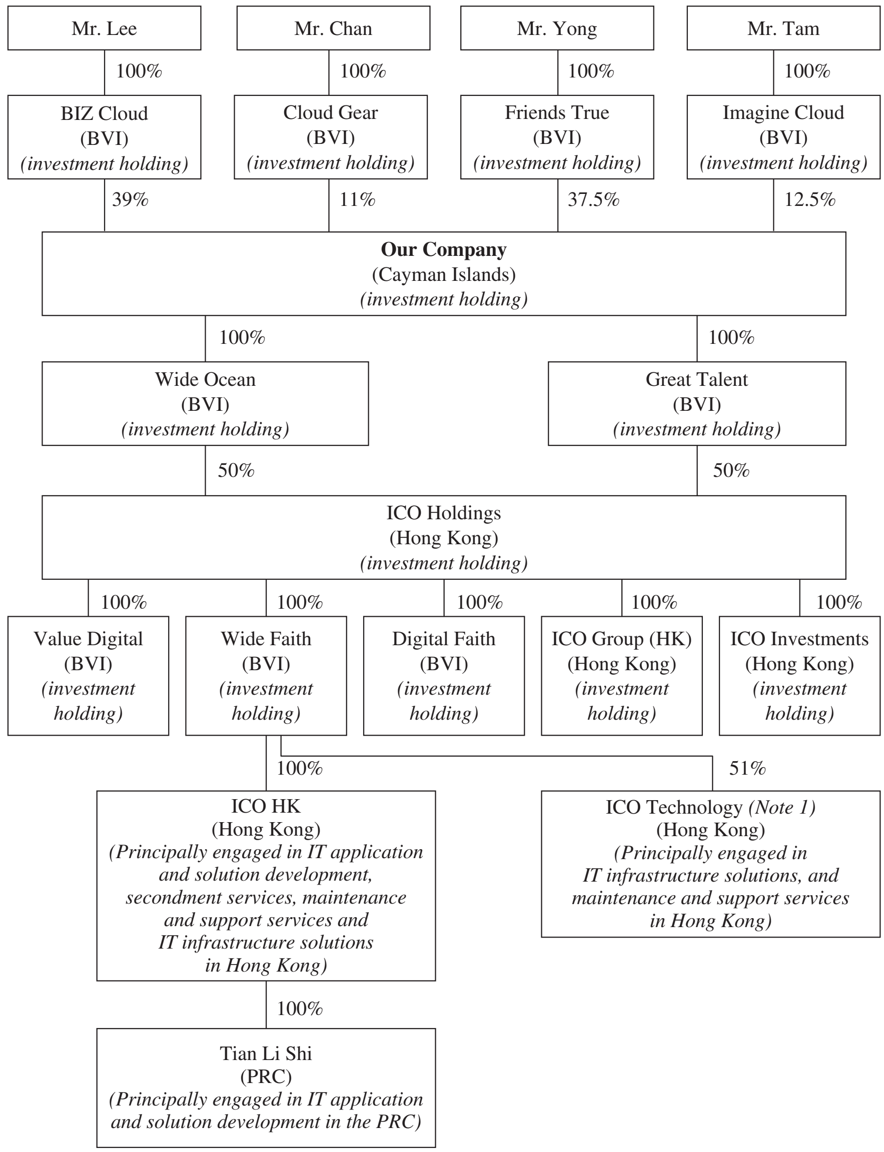
4. Acquisition of the entire issued share capital of Wide Ocean and Great Talent by our Company

(a) Pursuant to the share transfer agreement dated 27 February 2015 entered into among our Company, Mr. Lee and Mr. Chan, our Company acquired from Mr. Lee 78 shares of Wide Ocean with par value of US$1.00 each at the nominal consideration of HK$1.00 and (ii) acquired from Mr. Chan 22 shares of Wide Ocean with par value of US$1.00 each at the nominal consideration of HK$1.00.

(b) Pursuant to the share transfer agreement dated 27 February 2015 entered into among our Company, Mr. Yong and Mr. Tam, our Company (i) acquired from Mr. Yong 75 shares of Great Talent with par value of US$1.00 each at the nominal consideration of HK$1.00 and (ii) acquired from Mr. Tam 25 shares of Great Talent with par value of US$1.00 at the nominal consideration of HK$1.00.

(c) By completion of paragraphs (a) and (b) above, each of Wide Ocean and Great Talent became a wholly-owned subsidiary of our Company.

Set forth below is our corporate structure upon completion of the Reorganisation immediately prior to the Placing and the Capitalisation Issue.

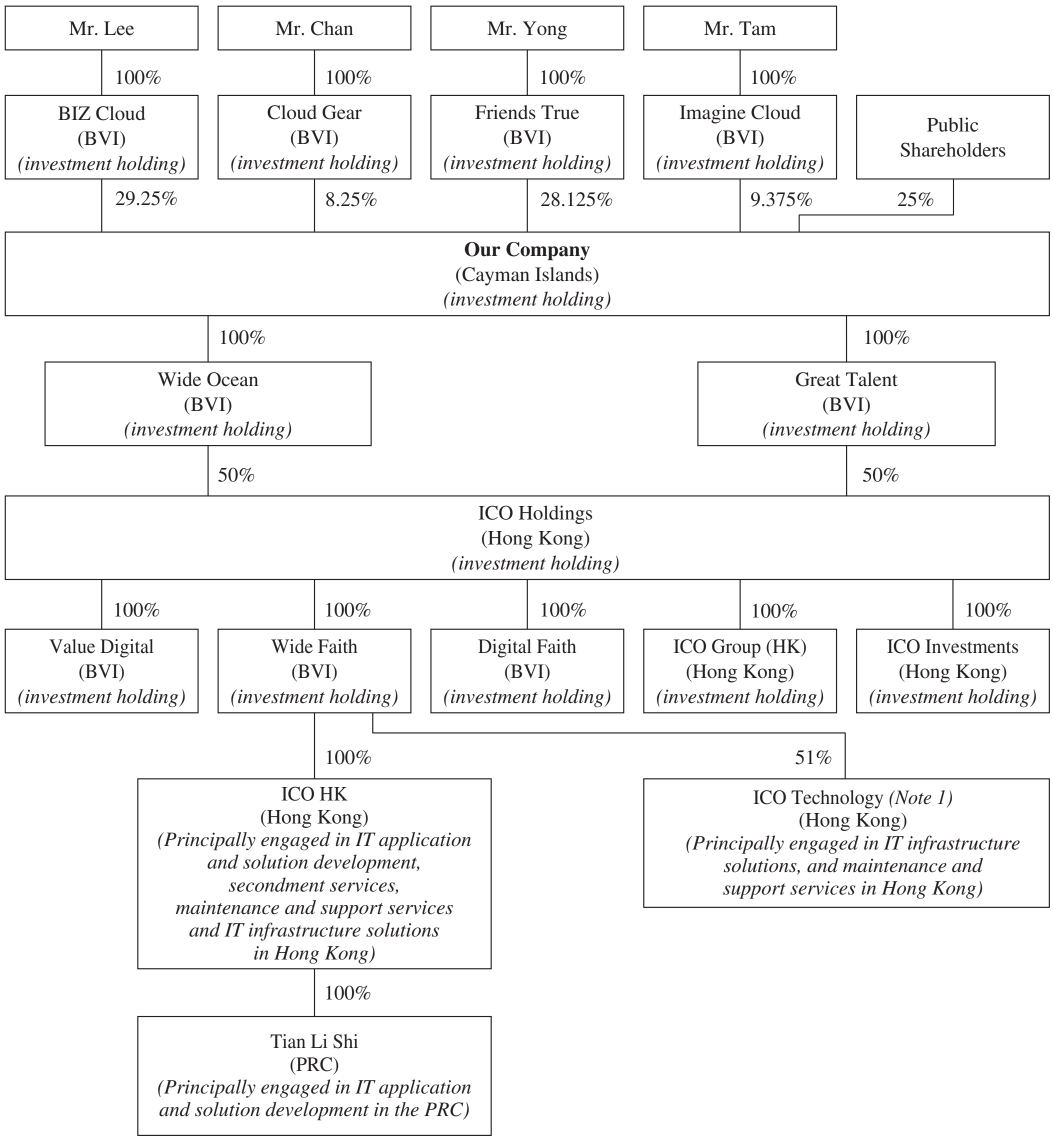


Note 1: As at the Latest Practicable Date, ICO Technology is held by Wide Faith and Raceline as to 51% and 49% respectively; Raceline is beneficially owned by Mr. Leung and Mr. Ho as to 60% and 40% respectively. Both Mr. Ho and Mr. Leung are directors of ICO Technology.

5. Capitalisation Issue

Conditional on the share premium account of our Company being credited as a result of the Placing, an amount of HK$7,499,990, which will then be standing to the credit of the share premium account of our Company, shall be capitalised and applied to pay up in full at par a total of 749,999,000 Shares for allotment and they will be issued to BIZ Cloud, Cloud Gear, Friends True and Imagine Cloud as per their respective shareholdings of our Company.

The following chart sets out our shareholding and corporate structure immediately after completion of the Capitalisation Issue and the Placing:



Note 1: As at the Latest Practicable Date, ICO Technology is held by Wide Faith and Raceline as to 51% and 49% respectively; Raceline is beneficially owned by Mr. Leung and Mr. Ho as to 60% and 40% respectively. Both Mr. Ho and Mr. Leung are directors of ICO Technology.

OVERVIEW

Established in 1992, we are an IT service provider based in Hong Kong. Our customers include government and statutory bodies, local and multinational enterprises across various industries including banking and finance, information technology and logistics. Our Group is principally engaged in the following businesses:

(1) Provision of IT application and solution development services

We have begun offering IT application and solution development services since 1995. The provision of IT application and solution development services generally includes IT systems integration, software development, technology consultancy, third party hardware and software procurement and after sales service. We provide our IT application and solution development services on a project basis.

(2) Provision of secondment services

We have been offering secondment services in Hong Kong since 1995 where we designate our staff to work for our customers for a fixed period of time pursuant to the relevant secondment service agreements. Our seconded staff are responsible for carrying out a wide range of IT-related services for our customers, such as system administration, unit testing, preparation of technical specifications, system design, development and support.

(3) Provision of maintenance and support services

Following the completion of the provision of IT application and solution development, we may be engaged by our customers to provide maintenance and support services in separate agreements. We may also be engaged by customers whose IT systems were built and developed by other parties but seek us for maintenance and support services.

(4) Provision of IT infrastructure solutions

We assess, design and implement IT infrastructure solutions for our customers. Our Group provides IT infrastructure solutions to customers by integrating various hardware and software sourced from third party suppliers, including servers, storage systems, security systems, software, networking equipment and so forth to fulfil customers' requirements in relation to their IT infrastructure.

During the year ended 31 March 2013, we decided to discontinue our IT infrastructure solutions business in the PRC market and disposed of ICO Technology (China) on 1 April 2013 so that we can concentrate on our IT infrastructure solutions business in Hong Kong. For details of the Disposal, please refer to the section headed "History, reorganisation and Group structure" of this prospectus.

As a result of the Disposal, our Directors consider that our Group's business will no longer be burdened by the non-profitable business of the Disposal Group and will face less uncertainty in the PRC market in relation to IT infrastructure solutions business. Our Directors expect that the profit margin of our Group will increase and the risk profile of our Group will be reduce.

The table below illustrates the breakdown of our revenue by business segments during the Track Record Period and periods mentioned below:

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
	HK$'000	%	*HK$'000*	%	*HK$'000*	%	*HK$'000* (Unaudited)	%	*HK$'000*	%
IT application and solution development	33,762	15.3	25,995	13.3	21,679	11.4	12,221	12.9	6,674	7.5
Secondment services	45,409	20.6	42,812	21.8	40,660	21.4	19,757	20.9	21,880	24.7
Maintenance and support services	16,954	7.7	18,825	9.6	19,614	10.3	8,928	9.4	9,933	11.2
IT infrastructure solutions	124,562	56.4	108,520	55.3	108,031	56.9	53,748	56.8	50,228	56.6
	220,687	100.0	196,152	100.0	189,984	100.0	94,654	100.0	88,715	100.0

Please refer to the paragraph headed "Description of our business" in this section for further information relating to our business.

The table below illustrates the breakdown of our revenue by Hong Kong and the PRC during the Track Record Period and periods mentioned below:

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
	HK$'000	%	*HK$'000*	%	*HK$'000*	%	*HK$'000* (Unaudited)	%	*HK$'000*	%
Hong Kong	211,386	95.8	191,589	97.7	189,984	100.0	94,654	100.0	88,715	100.0
PRC	9,301	4.2	4,563	2.3	—	—	—	—	—	—
	220,687	100.0	196,152	100.0	189,984	100.0	94,654	100.0	88,715	100.0

REVENUE MODEL

The revenue model of each of our Group's business segments is summarised in the table below:

Business segment	**Revenue model**
IT application and solution development	We generally charge our customers on a fixed price basis; our fees may be payable in several milestones in accordance with the contract. The pricing of IT application and solution development depends on factors such as complexity of the project, technology and equipment required, expected number of required man-days, the expected gross margin and level of competition during the bidding process. Payments will usually be made by our customers after signing off the relevant payment milestone deliverable.

Business segment	Revenue model
	During the Track Record Period, the duration of our IT application and solution development projects varied from around 1 week to 5 years. Project duration may occasionally be lengthened due to change requests initiated by our customers.
Secondment services	We generally charge our customers on a monthly basis with the rate specified in the secondment service agreements and such rate remains unchanged during the contract period unless otherwise mutually agreed. The pricing of secondment services depends on factors such as experience and qualification of the seconded staff, the salary of seconded staff and the prevailing market rate. We may specify service fee caps for the fees chargeable by us in the secondment service agreements. During the Track Record Period, our secondment service agreements ranged from approximately 4 months to 18 months.
Maintenance and support services	We generally charge our customers on a fixed price basis for an agreed service period. We take into account various factors when pricing our maintenance and support services, including scope of work, required service level, complexity of the customers' IT systems and cost of our suppliers. During the Track Record Period, our maintenance and support services agreements were usually for a fixed term ranging from approximately 1 year to 10 years.
IT infrastructure solutions	We generally charge our customers on a fixed price basis based on our customers' requirements, scope of work and cost of hardware, software and subcontracting. During the Track Record Period, the duration of our IT infrastructure solutions projects ranged from approximately 1 week to 5 years. The duration varies and largely depends on the scale of the IT infrastructure and the scope of work assigned to us.

OUR COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths of our Group have contributed to our success to date:

Comprehensive IT solutions and services to cater for customers' needs

We have been in the IT solutions and services industry for over 20 years and are one of the top five IT solution and service providers in Hong Kong. We offer comprehensive IT solutions and services to our customers. Our IT solutions and services include IT integration solutions and IT infrastructure solutions with an aim to provide one-stop IT services to cater for customers' needs.

We offer an array of integrated IT solutions and services to our customers from designing and implementing IT systems, developing software to on-going maintenance and support. We are also able to offer IT related project management and provision of IT training to our customers. To offer our customers flexibility and efficiency, we also offer secondment services to our customers where selected staff can be deployed to our customers' office to serve them exclusively. We have a good understanding of our customers' businesses, products and industries. We generally draw from our pool of staff with different skill-sets to ensure our seconded staff are equipped with the specific skill-sets and technical support in order to meet our customers' needs. Our IT infrastructure solutions consist of a wide mix of hardware and software products to meet the diverse needs of our customers. We are different from general hardware and software vendors who only have a broad-brush understanding of various IT products. We believe that the comprehensiveness of the IT product portfolio in our IT infrastructure solutions provides our customers with convenience, flexibility and efficiency, thereby allowing us to build long term business relationships with our customers.

Well-established relationships with international IT product vendors

Our Group has built up long term relationships with international IT product vendors. As at Latest Practicable Date, our business relationships with the top five suppliers ranged from approximately five to eight years. These IT product vendors also provide us with necessary technical support to market their products into our IT solutions and services.

With recognised achievements in marketing our suppliers' products, our Group received various awards and recognitions from different IT product vendors as described in the paragraph headed "Awards and recognitions" in this section.

Reputable and established customer base as well as solid relationships with business partners

We have a solid customer base consisting of renowned businesses spanning across many sectors in Hong Kong. Our main customers belong to the banking, logistics and public sectors. During the Track Record Period, we served over 100 customers each year. As at the Latest Practicable Date, our business relationships with the top five customers ranged from approximately two years to seventeen years. We have also developed and maintained relationships with business partners for whom we act as subcontractor to collaborate in delivering IT application and solution development to our end customers. We have developed and maintained a good reputation among our customers and service providers for high quality services and ability to deliver large scale and complex IT solutions in a timely manner.

Experienced management and professional team

Our dedicated management team develops effective strategies for maintaining the growth of our Group's business. The team is assisted by members of the senior management and the professional team who are well versed in IT knowledge. As at the Latest Practicable Date, approximately 52.3% of our staff (including the senior management) have over 8 years of experience in the IT industry. Our management team is led by Mr. Lee and Mr. Yong, executive Directors, who both have around 20 years of experience in the IT industry and business management.

Given our Group's extensive experience in the IT industry and a proven track record in delivering IT solutions and services to customers across different industries, we have been able to attract the necessary talent to remain competitive in the changing market and continue our success and business growth. As at the Latest Practicable Date, about 77.3% of our project managers hold tertiary education qualifications. Our project managers and the technical team that they lead possesses in-depth knowledge in IT as well as a thorough understanding in IT trends and requirements of different industries. Our proactive sales and marketing team communicates closely with customers to find out their changing needs. In addition, our team is required to follow our QMS, which streamlines our work and safeguards the quality of our work.

OUR BUSINESS STRATEGIES

Our business objective is to maintain our position as one of the leading IT solution and service providers that specialise in assisting corporate and institutional customers to extract maximum value from their IT engagements. By adopting the business strategies set out below, we plan to continue to expand our market share and strengthen the market position of our business in Hong Kong.

1. Expanding our professional team and enhancing our service quality

We believe that our success depends upon our ability to hire and cultivate experienced, motivated and well-trained members of our professional team. As such, we intend to continue investing in our professional team. In order to equip our team with the latest technological development, we offer internal and external continuous professional training programmes for our staff to learn and follow the technological changes and industry standard. We also provide training for the professional team to enhance its service recognition. In order to meet the increasing demand of the market, new headcounts will be provided to our professional team as we aim to enhance the efficiency and quality of our daily operations. We intend to utilise up to approximately HK$1.6 million and HK$8.7 million from the net proceeds to provide training to our team and expand our team respectively.

In addition, we are committed to provide quality services that consistently meet or exceed the expectations of our clients. As such, our Group aims to strengthen our quality control measures to ensure that our customers are satisfied with our services. Our Group will devote more resources to the development of our QMS (such as adopting ISO and other industry standards) and our internal control system to ensure our services and products are up to standard before they are delivered to our customers. In addition, our Group intends to provide new headcounts for the development and expansion of our internal control system.

We intend to utilise up to approximately HK$2.7 million from the net proceeds to develop and enhance our QMS and internal control system.

From the Latest Practicable Date to the year ending 31 March 2017, the expected number of staff to be hired for expanding the professional team will be around 41 staff, of which 30 staff for secondment team, one staff for further development of our QMS, nine staff for IT application and solution development project team and one staff for maintenance and support team. The actual recruitment is subject to various factors including the availability of suitable personnel in the market and the progress of our business expansion.

Please refer to the paragraph headed "Implementation plans" in the section headed "Future plans and use of proceeds" in this prospectus for a detailed description of the recruitment in the respective periods.

2. Expansion of IT application and solution development business

We intend to maintain and strengthen our competitive position by expanding our portfolio of services so as to keep pace with the evolving market. We believe that expanding our established services will bring us more business opportunities and development potential. As such, we shall continue to explore business opportunities in IT application and solution development for multinational clients in various industries. We also aim to offer a wide range of services for multinational clients in various industries, which includes services in relation to long-term and large-scale projects, production of software applications and products.

We are occasionally required to place a security sum with the customer to ensure our due performance during the term of contract and the security sum will not be released to us until the completion of the project. As the duration of projects may last for years, it is important for us to maintain liquidity throughout. We intend to inject approximately HK$8.5 million from the net proceeds to a pool of security sum for financing our engagement in IT application and solution development projects. This would allow us to grasp the opportunities to engage in more large-scale IT application and solution development projects concurrently.

With the increase of customers spending on IT services in Hong Kong, particularly in the business sector, there will be more chances for our Group to be approached by potential clients and for our Group to start new business projects accordingly. We intend to expand our structure in order to build sufficient capacity for seizing these new opportunities.

3. Growing our business strategically through merger, acquisition or business collaboration

Our Group believes that in an increasingly competitive business environment, establishing strategic alliances and joint ventures with business partners or investing in new opportunities will be critical in enabling our Group to achieve economies of scale, enlarge our customer base, facilitate improvements in our technology and processes and broaden and diversify our product and service offerings to the market.

Our Group aims to increase our competitive edge by upholding industry standards in both technology and talent management. Our Group will continue its quest for excellence and build our Group through strategic mergers and acquisitions in Hong Kong and/or the PRC. We intend to acquire or merge with IT companies (i) with readily available distribution or reseller licences of IT-related hardware and software products; (ii) specialised in IT technology and software development; and/or (iii) offering secondment services in IT industry.

Through mergers, acquisitions or collaborations, our Group could create new alliances in the region. We intend to utilise about 21% of the net proceeds from the Placing (i.e. approximately HK$14.1 million) for this. As at the Latest Practicable Date, our Company had not identified any acquisition and merger targets and will only commence identifying potential targets after Listing. Selection of our acquisition targets and determination of the consideration will be based on (i) the acquisition price and the related costs; (ii) the financial performance of the potential target; (iii) the potential target's relevant experience within the IT sector; (iv) the expertise and qualifications of the staff of the potential target; (v) the available distribution or reseller licenses of IT-related hardware and software products possessed by the potential target; (vi) the potential target's existing customer base; and (vii) the reputation of the potential target. Part of the said proceeds will be used for the payment of professional fees and deposit in relation to the acquisition, if necessary.

The acquisition, if materalised, may constitute a notifiable transaction of the Company under the GEM Listing Rules. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the GEM Listing Rules. Any shortfall is intended to be financed by internal resources of our Group.

4. Purchasing new office premises as well as equipping and renovating our existing office premises

In view of our expansion plan, we intend to (i) purchase an office premises for our own use; and (ii) equip and renovate the existing offices. Our Directors considered that the existing office area of our Group will not be sufficient to accommodate our needs. We intend to purchase an office premises with a gross floor area of approximately 1,500 sq. ft. for accounting, sales and marketing and administration/ human resources functions of our Group. We shall consider the location, with the preference of certain districts in Hong Kong Island. We shall also renovate our existing offices to cater for additional manpower for business growth. With the soaring rental prices generally in Hong Kong, we believe that by having our own office premises, we can minimise our exposure to fluctuating rental expenses. As at the Latest Practicable Date, our Company had no concrete plan for the purchase of new premises and had not identified any office premises for purchase and will only commence identifying potential premises after Listing.

We intend to utilise up to approximately HK$17.5 million from the net proceeds of the Placing for the purchase of an office premises, renovation and equipping facilities. Any shortfall is intended to be financed by internal resources of our Group.

5. Starting a research and development team

Apart from enhancing our existing services, we believe that it is essential for our Group to continuously improve our technological techniques and formulate new product and service ideas to keep our Group in one of the leading positions of the industry. We currently do not have a research and development team and we now intend to set up a new research and development team to improve our products and services. The establishment of the new research and development team will provide us with innovative ideas to start new business projects and enhance the quality of our established services. In particular, the team will focus on exploring and developing new services, including, but not limited to hosting services, and developing clouds products, mobile applications, transportation and logistics systems. We shall require of new equipment to carry out the research and development. The new research and development team will be formed by selecting three to five existing senior staff of our Group, who possess over ten years of experience in the IT industry and business management. They are expected to have experience in sales and marketing, tender bidding, new product launching and budgeting, and knowledge in mobile applications, Clouds products, transportation and logistics systems.

We intend to utilise up to approximately HK$4.9 million from the net proceeds to carry out research and development.

6. Strengthening our marketing efforts

Our Group plans to devote more resources to strengthening our marketing capabilities. It is our plan to engage an independent public relations firm to explore marketing strategies available to our Group and enhance our brand image in the targeted industries according to our business expansion plan. We intend to promote our Group by building the brand of "ICO". Besides developing the brand name, it is our plan to generate goodwill of our Group through a diversified approach. We aim to build connections with potential clients and professional parties by organising seminars and client relationship events and increasing the scale and the variety of these events. We shall increase our Group's exposure by participating in industry exhibitions and advertising in industry magazine(s) and public electronic media.

We intend to utilise up to approximately HK$2.2 million from the net proceeds to strengthen our marketing efforts.

DESCRIPTION OF OUR BUSINESS

Provision of IT application and solution development services

We have been engaging in the provision of IT application and solution development services in Hong Kong since 1995. Our IT application and solution development services are generally provided on a project basis.

We may be engaged in IT application and solution development projects as either the main contractor or subcontractor. As a main contractor, we are the prime of the project and we bear the ultimate liability of carrying out such project in accordance with the contract. We may outsource part of the works of the project. As a subcontractor, we are assigned part of the main contractors' obligations under the main contract for the project.

Our IT application and solution development generally involves IT systems integration, software development, third party hardware and software procurement and after sales services. Throughout the provision of IT application and solution development, our Group may also be engaged in project management, preparation of documentation and provision of IT training to our customers.

IT systems integration generally involves the process of linking together different computing systems, existing or new, and software applications physically and functionally. Our Group acts as a system integrator to provide our IT expertise to integrate our customers' systems through networking, software development, systems administration, database management, etc.

Our customers seek us for software development normally because there is no off-the-shelf software in the market that can cater for their specific needs. We are usually given specific requirements and we have to develop software products in accordance with such requirements for our customers. We generally have to carry out software design, programming, database design, testing and deployment during the process of software development.

Riding on our past experience and industry knowledge, our Directors consider that we are particularly competent in delivering electronic signature systems, digital library systems and workflow management systems to our customers.

Electronic signature system ("ESS")

The ESS is an imaging system designed for handling signature information and is designed for use in a typical bank environment. Signatures of bank's customers are captured, with appropriate indexing information, and are stored into a central signature database. Signatures are then distributed for viewing from user workstations. We have implemented the electronic signature system in a number of major banks in Hong Kong.

Digital library system

Digital library system is a system used to manage multimedia assets of customers. The end user can perform searches through a web browser to retrieve multimedia resources of customers. There will be separate interfaces for our customers to manage their multimedia assets.

We have implemented the digital library system in an education institution and a public library in Hong Kong.

Workflow management system

The workflow management system provides a platform for customers to control and manage several business processes through IT systems. It aims to automate the distribution of work tasks in relation to business areas selected by our customers.

We have implemented the workflow management system in a Hong Kong government body.

As at the Latest Practicable Date, we suspended our provision of IT application and solution development in the PRC.

Revenue generated from the provision of IT application and solution development services by industry sector

Main contractors who subcontract IT application and solution development work to us are considered to be our customers. The end-users of our IT application and solution development services include government and statutory bodies in Hong Kong (including education institutions), financial institutions (including banks and insurance companies) and other general business enterprises (including both local and multi-national customers).

The following table sets out our Group's revenue generated from our provision of IT application and solution development services by industry sectors during the Track Record Period:

	Year ended 31 March						Six months ended 30 September	
	2012		2013		2014		2014	
	HK$'000	*No. of projects*	*HK$'000*	*No. of projects*	*HK$'000*	*No. of projects*	*HK$'000*	*No. of projects*
Industry sectors								
Government and statutory bodies	1,211	2	9,068	4	10,001	5	1,238	5
Financial institutions	4,078	2	1,671	2	286	1	665	2
General business enterprises	28,473	9	15,256	13	11,392	15	4,771	17
Total	33,762	13	25,995	19	21,679	21	6,674	24

Revenue generated, number and profit margin of projects in which our Company acted as main contractor or subcontractor

The below table sets forth the revenue generated, number and profit margin of projects in which our Company acted as main contractor or subcontractor respectively during the Track Record Period:

	Year ended 31 March									Six months ended 30 September		
	2012			2013			2014			2014		
	Revenue	Number of projects	Gross margin	Revenue	Number of projects	Gross margin	Revenue	Number of projects	Gross margin	Revenue	Number of projects	Gross margin
	HK$'000		*%*	*HK$'000*		*%*	*HK$'000*		*%*	*HK$'000*		*%*
Main contractor	19,100	9	5.0	17,340	12	34.5	12,829	14	46.3	2,895	18	10.3
Subcontractor	14,662	4	39.7	8,655	7	44.2	8,850	7	49.6	3,779	6	50.0
	33,762	13		25,995	19		21,679	21		6,674	24	

The tables below set out, in terms of recognised revenue, details of our Group's top five projects of IT application and solution development completed during the Track Record Period, for which the revenue recognised in aggregate accounted for approximately 30.0%, 40.1%, 57.9% and 19.6% of the total revenue recognised in IT application and solution development for the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, respectively.

Top five IT application and solution development projects in terms of recognised revenue completed during the year ended 31 March 2012

End customer's business nature	End customer's headquarters	Our role	Type of work	Total contract value *HK$'000* *(Note 1)*	Contract date	Project completion date *(Note 2)*	Revenue recognised in the year ended 31 March 2012 *HK$'000*
General business enterprise	Hong Kong	Main contractor	Application development	3,093	May 2011	March 2012	3,093
Government and statutory body	Hong Kong	Subcontractor	Enhancement of existing licensing portal & workflow system	11,740	November 2008	January 2012	2,993
Financial institution	Hong Kong	Main contractor	Development of account opening platform	4,300	November 2010	September 2011	2,812
Government and statutory body	Hong Kong	Subcontractor	Enhancement of existing system	1,191	July 2011	March 2012	1,191
General business enterprise	Hong Kong	Main contractor	Enhancement of existing system	471	February 2011	April 2011	46

Notes:

1. The total contract value as agreed in the agreement.

2. Project completion date means the date of delivery, i.e. generally, upon notification of completion to the customer and/or the date of the letter of acceptance.

Top five IT application and solution development projects in terms of recognised revenue completed during the year ended 31 March 2013

End customer's business nature	End customer's headquarters	Our role	Type of work	Total contract value *HK$'000* *(Note 1)*	Contract date	Project completion date *(Note 2)*	Revenue recognised in the year ended 31 March 2013 *HK$'000*
General business enterprise	Germany	Main contractor	Development of financial and accounting system	36,852	February 2008	March 2013	5,248
Government and statutory body	Hong Kong	Main contractor	Development of communication module for electronic record system	3,775	October 2011	December 2012	3,025
Financial institution	Hong Kong	Main contractor	Enhancement of existing ESS and cheque processing system	1,228	April 2012	January 2013	1,228
Government and statutory body	Hong Kong	Main contractor	Enhancement of existing workflow management system	1,428	May 2011	December 2012	470
Government and statutory body	Hong Kong	Subcontractor	Enhancement of existing registration system	718	January 2012	September 2012	461

Notes:

1. The total contract value as agreed in the agreement.

2. Project completion date means the date of delivery, i.e. generally, upon notification of completion to the customer and/or the date of the letter of acceptance.

Top five IT application and solution development projects in terms of recognised revenue completed during the year ended 31 March 2014

End customer's business nature	End customer's headquarters	Our role	Type of work	Total contract value *HK$'000* *(Note 1)*	Contract date	Project completion date *(Note 2)*	Revenue recognised in the year ended 31 March 2014 *HK$'000*
Government and statutory body	Hong Kong	Main contractor	Enhancement of existing workflow system	13,530	November 2012	February 2014	8,226
Financial institution	Hong Kong	Subcontractor	Development of trading system	1,800	December 2013	March 2014	1,800
Government and statutory body	Hong Kong	Subcontractor	Enhancement of existing computerised system	2,641	October 2012	December 2013	1,272
General business enterprise	Hong Kong	Main contractor	Development of smart card authentication solution	650	July 2013	November 2013	650
Government and statutory body	Hong Kong	Subcontractor	Enhancement of existing online checking system	720	March 2013	November 2013	612

Notes:

1. The total contract value as agreed in the agreement.

2. Project completion date means the date of delivery, i.e. generally, upon notification of completion to the customer and/or the date of the letter of acceptance.

Top five IT application and solution development project completed during the six months ended 30 September 2014

End customer's business nature	End customer's headquarters	Our role	Type of work	Total contract value *HK$'000* *(Note 1)*	Contract date	Project completion date *(Note 2)*	Revenue recognised in the six months ended 30 September 2014 *HK$'000*
Government and statutory body	Hong Kong	Subcontractor	Enhancement of existing system	480	May 2014	August 2014	480
General business enterprise	Hong Kong	Main contractor	Integrated shopping mall system	382	May 2014	September 2014	382
General business enterprise	Hong Kong	Main contractor	Implementation services for message delivery gateway	279	March 2014	May 2014	186
General business enterprise	PRC	Main contractor	Mobile-operation application system	150	May 2014	September 2014	150
Government and statutory body	Hong Kong	Subcontractor	Implementation services	108	December 2013	August 2014	108

Notes:

1. The total contract value as agreed in the agreement.

2. Project completion date means the date of delivery, i.e. generally, upon notification of completion to the customer and/or the date of the letter of acceptance.

Top five IT application and solution development projects in terms of contract value not yet completed as at 30 September 2014

End customer's business nature	End customer's headquarters	Our role	Type of work	Total contract value *HK$,000* *(Note 1)*	Contract date	Expected completion date *(Note 2)*	Status as at the Latest Practicable Date	Financial year in which all revenue is expected to be wholly recognised	Revenue not yet recognised as at 30 September 2014 *HK$,000*
Government and statutory body	Hong Kong	Subcontractor	Enhancement of existing exit/entry system	21,125	March 2011	October 2014	Completed *(Note 3)*	2015	Nil
Government and statutory body	Hong Kong	Subcontractor	Data centre set-up and migration	9,700	December 2013	July 2015	Not yet completed *(Note 4)*	2016	4,183
Government and statutory body	Hong Kong	Main contractor	Migration system for new system platform	7,500	August 2014	September 2015	Not yet completed *(Note 5)*	2016	6,400
Government and statutory body	Hong Kong	Main contractor	Workflow management system	1,380	August 2014	December 2015	Not yet completed *(Note 6)*	2016	1,071
Government and statutory body	Hong Kong	Main contractor	Data conversion for multimedia information system	1,099	October 2012	October 2014	Completed *(Note 7)*	2015	137

Notes:

1. The total contract sum as agreed in the agreement.
2. Expected completion date means the date on which the project is expected to be delivered to the customer.
3. The project was completed in October 2014.
4. The project's work in progress was in accordance with the expected timetable and the system development stage has been commenced.
5. The project's work in progress was in accordance with the scope of work.
6. The project's work in progress was in accordance with the scope of work.
7. The project was completed in October 2014.

IT application and solution development projects for which contracts had been signed but had not been completed as at 30 September 2014

The table below sets out the total unrecognised revenue of our IT application and solution development projects on hand but not yet completed as at 30 September 2014, the amount of revenue expected to be recognised for the year ending 2015, and the advances received from the customers in respect of these IT application and solution development projects as at 30 September 2014:

Total unrecognised revenue as at 30 September 2014	Revenue expected to be recognised for the year ending 31 March 2015	Advances from customers as at 30 September 2014
HK$'000	*HK$'000*	*HK$'000*
12,292	7,660	669

IT application and solution development project on hand but not yet completed as at the Latest Practicable Date

As at the Latest Practicable Date, we had a total of 12 IT application and solution development projects on hand (including projects that have commenced but not yet completed as well as projects that have been awarded to us but not yet commenced). Our Directors confirm that our Group has entered into legally binding contracts with our customers for projects on hand as at the Latest Practicable Date.

Large-scale IT application and solution development project for a government department in Hong Kong

Our Group partnered with the PRC Partner and were awarded Project A by a government department in Hong Kong in November 2014. Our Directors believe that our previous experience in an entry/exit control system of the same government department has given us an edge in winning the tender. The PRC Partner is the main contractor for Project A and our Group is its sole subcontractor under Project A. The Main Contract became effective following the fulfilment of all the conditions specified in the notification of conditional acceptance. The Main Contract incorporates, among others, the relevant schedules of the tender document, including the schedule which appointed our Group as the subcontractor. The duration for the provision of IT application and solution development services is about 40 months (including a warranty period of 12 months) and the provision of maintenance services is expected to be for a period of nine years beginning from the expiration of the warranty period.

Information on the PRC Partner

The PRC Partner is a state-owned joint stock company established in the PRC which headquartered in Beijing and the shares of which are listed on the A-share market of the Shanghai Stock Exchange. As at the Latest Practicable Date, the market capitalisation of the PRC Partner is approximately RMB36.9 billion. It mainly engages in the development of IT application and solution, IT systems integration and sales of self-developed software. It possesses extensive experience in managing large-scale projects and has participated in several national informatisation key projects. It has developed the electronic networks and management systems for various government departments in the PRC, such as a tax affairs management system and anti-counterfeit tax system for the tax bureau, an individual identity authentication system for the public security bureau, a food and drug safety management system for the food and drug administration and a monitory system of entry/exit goods for the customs.

The PRC Partner is responsible for the overall supervision and coordination of Project A. It monitors the overall progress, use of resources and financial costs of the project and will act as the principal channel of communication among our Group, the government and other parties involved in the project. Meanwhile, our Group is responsible for the design, supply and implementation of IT systems and the maintenance and support services in accordance with the subcontracted scope of works.

The PRC Partner was introduced to us by one of our suppliers. Throughout the duration of Project A, the PRC Partner will likely become one of our major customers who will acquire the products and services of our Group for Project A under which our Group shall be the sole subcontractor in accordance with the tender submitted. Our Directors believe that the participation in Project A would add value to our Group's competitive edge which would assist our Group in acquiring new customers and diversifying our customer base. We will continue to look for new business opportunities with other potential customers so as to minimise the impact of our reliance on the PRC Partner under Project A.

Salient terms of the subcontractor contract

We have entered into a subcontractor contract with the PRC Partner pursuant to which we shall be obliged to perform and discharge in full all the duties and obligations imposed upon the PRC Partner in the Main Contract and we shall have in full all the rights that the PRC Partner has in the Main Contract in relation to the performance and discharge of such duties and obligations, except as further provided in the subcontractor contract. The salient terms of the subcontractor contract between the PRC Partner and us in relation to Project A are as follows:

Major scope of work:

- To design, supply and implement IT systems
- To provide training, support and maintenance services to end-customers

Project timeframe: Approximately 40 months from mid-November 2014 to mid-March 2018 in accordance with the existing resource planning for IT application and solution development services (including a warranty period of 12 months), followed by a nine-years maintenance and support services from mid-March 2018 to mid-March 2027

Liabilities in the event of delay:

- The government shall receive liquidated damages if there is a failure to provide all or any of the deliverables to the government by the applicable completion date.
- The government is entitled to terminate the whole or part of the contract and may receive refund for the money paid in relation to the deliverables if there is any failure to provide all or any of the deliverables within the prescribed time frame after the applicable completion date.

Indemnities and indemnification liabilities on the part of our Group to the PRC Parnter:	The PRC Partner shall indemnify and keep the government indemnified from and against: ● Any demands and liabilities arising from (i) a breach of any provision of the contract; (ii) any warranty which is incorrect, inaccurate, incomplete or misleading; (iii) any negligence, recklessness, or willful misconduct; or (iv) any act or omission in the discharge of the services. ● Any demands and liabilities suffered by the government as a result of or in connection with the infringement or alleged infringement of intellectual property rights of the supplied system and supplied IT products. The PRC Partner may raise claim against our Group for losses suffered by the PRC Partner as a result of any liquidated damages levied on it or damages claimed against it by the government for indemnities.
Deduction of charges and early termination:	● If at any time during the contract period, a non-compliance event including but not limited to, non-compliance with the committed serviceability level, absence of the project team member and the team member not fullfilling the qualification or experience requirements in relation to the contract occurs, the government shall be entitled to obtain refund or make deduction from the charges from time to time payable for such non-compliance event in the applicable amount specified in the contract as and for liquidated damages and not as a penalty. ● If at any time during the contract period, any one or more of the non-compliance thresholds specified in the contract have been reached, the government shall be entitled to terminate the contract accordingly.
Change of control:	The PRC Partner may terminate the subcontractor contract if there is a change of control and the PRC Partner reasonably believes that such change of control may materially affect the performance by ICO HK of its obligation under the subcontractor contract. A change of control occurs if either (i) the majority of shares carrying a right to vote in ICO HK or its holding company are acquired by a person who was not a majority shareholder at the date of the subcontractor contract, or (ii) there is a change in the ownership of the legal power to direct, or determine the direction of, the general management and policies of ICO HK or its holding company.

Limitation of liability of the PRC Partner:	The PRC Partner shall not be responsible to our Group for any failure to perform its obligations under the subcontractor contract where there is a corresponding failure by the government to perform its obligations under the Main Contract, provided that the PRC Partner takes all reasonable steps to pursue its rights under the Main Contract.

Payment terms:

- For the third party IT products procured by our Group for the use in Project A, the PRC Partner shall pay to us following the delivery of products. We will generally grant a credit period to the PRC Partner for a period of 30 days.

- For the provision of IT application and solution development services, the payment schedule is as follows:

  (i) 5% of the subcontracting revenue upon completion of project initiation, system analysis and design, down-sized mainframe application analysis and design (i.e. around third quarter of 2015);

  (ii) 10% of the subcontracting revenue upon completion of system development & testing, down-sized mainframe application development and testing (i.e. around first quarter of 2016);

  (iii) 5% of the subcontracting revenue upon completion of user acceptance (i.e. around third quarter of 2016); and

  (iv) 70% of the subcontracting revenue upon completion of user training, production rollout and the system is certified to be ready for use (i.e. around first quarter of 2017).

  The government will withhold 10% of payments until the expiry of the warranty period.

- The maintenance and support service fees will be paid in quaterly subsequent to the 12-month warranty period.

Circumstances under which our Group may cease to derive income from the subcontractor contract

As disclosed above, if there is any failure or delay on our part to provide all or any of the deliverables to the government, the government is entitled to terminate the whole or part of the Main Contract and may demand for money paid in relation to the deliverables. In such circumstances, our

Group would also be in breach of the subcontractor contract and therefore would not be entitled to receive income therefrom and may have to bear the damages arising from such failure or delay on our part.

Our Group may be deprived of income under the subcontractor contract if the PRC Partner shall fail to give us the income, whether it is due to a breach on the part of the government under the Main Contract or a breach on the part of the PRC Partner under the subcontractor contract. In such circumstances, we shall have the remedy under the subcontractor contract by taking legal actions against the PRC Partner for recovery of the income.

Consequences of early termination of Project A

In the event of early termination as a result of any default of our Group, we shall be liable for all losses, damage, liabilities, costs and expenses incurred or sustained by the government in relation to the subcontracted work arising from the termination. We may also be liable for losses suffered by the PRC Partner as a result of any liquidated damages levied on it or damages claimed against it by the government under the Main Contract.

In the event of early termination or expiry of the Main Contract, our Group shall refund to the government all sums previously paid under the contract in respect of all of the categories to which the contract relates and in respect of the unexpired period of the contract period following the termination plus interest, and in case the termination occurs prior to the system being ready for use, subject to the terms of the contract, our Group shall refund to the government all sums paid in or towards satisfaction of the total implementation price in respect of all of the categories to which the contract relates plus interest to accrue in accordance with the terms of the contract.

The government may also suspend or terminate the contract in its discretion. If this occurs prior to a system becoming ready for use, the government shall pay such portion of the total implementation price for that system as is fairly and equitably payable to us for such part of the implementation services in accordance with the terms of the contract.

There is a limit on the PRC Partner's liability in relation to the early termination of the Main Contract. In the event that the Main Contract is terminated or suspended caused by the decisions made by the government, the PRC partner shall not be liable to us for any losses, damages, costs and expenses incurred or suffered as a result thereof.

The change of control of ICO HK would only trigger the termination of the subcontractor contract if the PRC Partner reasonably believes that such change of control may materially affect the performance by ICO HK of its obligations thereunder. In other words, the change of control will not automatically trigger the termination of the subcontract.

Our Directors believe that our Group is capable of fulfilling the material obligations under the subcontractor contract and that the risk of the subcontractor contract being terminated is low. Upon Listing, our Company will report the progress of Project A in its quarterly, interim and annual reports in order to keep our Shareholders and potential investors informed of the development and will issue announcements on any material changes which may trigger the termination provision under the subcontractor contract due to the change of control.

Commitment on resources

Our Group is experienced in delivering IT application and solution development projects of various scales and nature including projects for the government of HKSAR. During the tendering process, we were scrutinised by the government in respect of our technical and financial capabilities.

In the first half of 2014, we have submitted six tender proposals (including Project A) to both private and public sectors. It is the strategy of our Group to review the internal resources of our Group in every tender. We shall prudently review the status of existing projects, the existing human resources, the availability of external resources, the historical success rate of tender proposals, the tendering/ clarification status of tenders, and the duration of each project (both existing projects and tender proposals), etc. Based on the review, we shall allocate our technical staff among the business segments, and shall recruit additional staff if there is any foreseeable shortage according to the estimated timetable and technical requirement of our projects. Due to the foreseeable demand for additional manpower, we have already increased the scale of recruitment in the second quarter of 2014. We have recruited an additional 34 full-time staff from 1 April 2014 to 30 November 2014, and will continue to recruit additional staff, mainly with technical knowledge, according to the estimated human resources plan. As at the Latest Practicable Date, we have not experienced any material difficulty in the recruitment of qualified staff for Project A. We expect that the surplus staff, if any, arising from the completion of Project A will be absorbed through (i) natural wastage; (ii) internal redeployment of staff to other IT application and solution development projects or other business segments; and (iii) dismissal upon the expiry of the relevant employment agreements.

We have also reserved adequate human resources for the provision of maintenance and support services during the 12-month warranty period. For the third party IT products procured for the use in Project A, the warranty will be provided by the third party suppliers. Having considered the likelihood of any outflow of resources to fulfil the obligation is remote and the estimated costs such as time cost and labour cost required to fulfil the obligation are immaterial to our Group's results of operations and financial position, no provision on warranty has been made on Project A. During the Track Record Period, we did not receive any material complaints from our customers and no significant expenses were incurred to fulfil the warranty obligations. Apart from the committed human resources, our Group did not make or enter into any commitment on the financial resources under both the Main Contract and the subcontractor contract in relation to Project A.

Based on the projected human resources commitment and workload of Project A, our Directors consider that the current business of our Group will not be prejudiced and that our Group will have sufficient resources and capacities to deliver the services under Project A without having any material impact on our Group's overall business.

Consequences of potential delay on Project A

Pursuant to the agreed timeframe under the Main Contract of Project A, our Group has already commenced work for Project A and will adhere to the schedule and timeline of Project A.

Since Project A has formally been awarded and the Main Contract has become effective, our Directors consider the likelihood of Project A not proceeding to be highly remote. The terms and timeframe for Project A have been agreed and formally documented and the work thereon has commenced. On the other hand, our Group has been actively working with other customers in each business segment. Throughout the Track Record Period and up to the Latest Practicable Date, our Group has been actively participated in bidding for IT application and solution development projects. From 1 April 2014 to the Latest Practicable Date, we have submitted 14 tender proposals to both private and public sectors. There were ten bidding proposals with contract value of HK$1 million or above pending tendering results as at the Latest Practicable Date. According to our estimated human resources plan, we shall reserve certain headcounts for the preparation of bidding proposals in the future. Going forward, we intend to continue the bidding for other projects when suitable tenders arise.

If there is any early termination, suspension, delay or postponement of Project A, the prospect of Project A will not be materialised as planned. However, having considered that (i) apart from Project A, we had a total of 11 IT application and solution development projects on hand and the total contract value of these projects is approximately HK$28.7 million; (ii) we had ten bidding proposals with contract value of HK$1 million or above pending tendering results as at the Latest Practicable Date; and (iii) going forward, we shall actively participate in bidding other projects and our Directors consider that our Group still have other projects or contracts on hand as alternative sources of revenue, therefore our Directors are of the view that the business performance of our Group will still be sustainable.

Engagement of the third party subcontractors under Project A

We may outsource part of the work under Project A to other third party subcontractors if we consider it is more efficient and cost effective to do so. We may also consider engaging industry experts to provide advisory and consulting services if the development of the application requires specific industry knowledge. As at the Latest Practicable Date, we had not engaged any subcontractors for Project A and we had neither formulated any concrete plan for engaging subcontractor nor identified any suitable subcontractor. In the event we engage any subcontractors, the subcontractors will be closely monitored by our project managers and will be required to follow our QMS guidelines and relevant operational and/or internal control manual in all respects to ensure their works meeting the customer's requirements. Despite such outsourcing arrangement, we may still be vicariously liable for the acts or omissions of the third party subcontractors in the contract of their services. We are responsible for any loss or damage suffered by the government or the PRC Partner arising out of the defective works of our subcontractors.

Financial implication of Project A

The total subcontracting revenue to be recognised by our Group under Project A is expected to be over HK$900 million. Pursuant to the subcontractor contract between the PRC partner and our Group, the revenue derived from Project A will be allocated as follows:

(i) approximately 42% of the subcontracting revenue will be attributed to the IT application and solution development segment; and

(ii) approximately 58% of the subcontracting revenue will be attributed to the maintenance and support services segment.

Our Group has commenced work on Project A in November 2014. Our progress of work under Project A was in accordance with the completion schedule and timeline as at the Latest Practicable Date.

As revenue derived from IT application and solution development segment is recognised using the percentage of completion method, there are no specific milestones pursuant to which our Group shall meet in order to recognise the revenue from Project A. However, based on the implemental schedule of Project A and the available resources of our Group, we estimate that approximately 15%, 21% and 6% of the subcontracting revenue will be recognised by our Group for the year ending 31 March 2015, 2016 and 2017 respectively under Project A. As a result, the expected proportion of turnover derived from the IT application and solution development segment to our total turnover will increase, which will make this segment become the major revenue source of our Group for the three years ending 31 March 2015, 2016 and 2017. An unaudited revenue of approximately HK$96.9 million was derived from Project A up to 31 December 2014 and was fully settled as at the Latest Practicable Date.

We expect to recognise the revenue generated from the provision of maintenance services under Project A, representing approximately 58% of the subcontracting revenue, during the years ending 31 March 2019 to 31 March 2027. Therefore, the proportion of revenue derived from the maintenance and support services segment to our total revenue will increase during such periods.

Based on the total estimated resources planning, the estimated gross profit margins of the entire Project A is about 20%, which is lower than the historical average gross profit margin of both the IT application and solution development segment and the maintenance and support segment during the Track Record Period. Project A has a lower profit margin because we adopted a competitive pricing strategy during the tendering process to achieve winning of the tender. Further, a large portion of IT application and solution development services under Project A contains the procurement of IT products provided by third parties which we are unable to charge a high premium. We also estimate that the gross profit margin of the maintenance and support segment will be higher than that of the IT application and solution development segment. Accordingly, we expect that the overall gross profit margin of the IT application and solution segment for the three years ending 31 March 2015, 2016 and 2017 will decrease as compared to that of the Track Record Period. Although our overall gross profit may increase, the gross profit margin of our Group will decrease during such periods. There will be an expected decrease in the gross profit margin of the maintenance and support services segment during the years ending 31 March 2019 to 2027 as compared to that of the Track Record Period.

Cashflow management of Project A

During the implementation of Project A, we may have to procure IT products for the use in Project A directly. We are not required to pay any deposit to our suppliers. The purchase amount will only have to be paid upon product delivery and the suppliers will grant a credit period to us. The products will be delivered by the suppliers to the PRC Partner directly. The PRC Partner will then inspect the products and will pay to us the purchase sum under the purchase order within the credit period that we granted to the PRC Partner. In order to minimise the financial impact on our cash flow, we shall match the term of payment by granting a shorter credit period to the PRC Partner than the one granted to us by the suppliers. We shall pay to the suppliers once we receive the payment from the PRC Partner. Unless there is any default or lapse of payment by the PRC Partner, the cash flow position of our Group during the years ending 31 March 2015, 2016 and 2017 shall not be adversely affected.

Taking into account the cash inflow from the initial milestone payment received under Project A, the net operating cash inflow contributed from the supply of IT products of Project A, secondment services and maintenance and support services, the net proceeds from the Placing and the existing cash on hand of our Group, our Directors confirm that our Group will maintain sufficient cash to meet the cash outflow for direct labour cost in Project A and our Directors further confirm that our Group will have sufficient working capital from time to time.

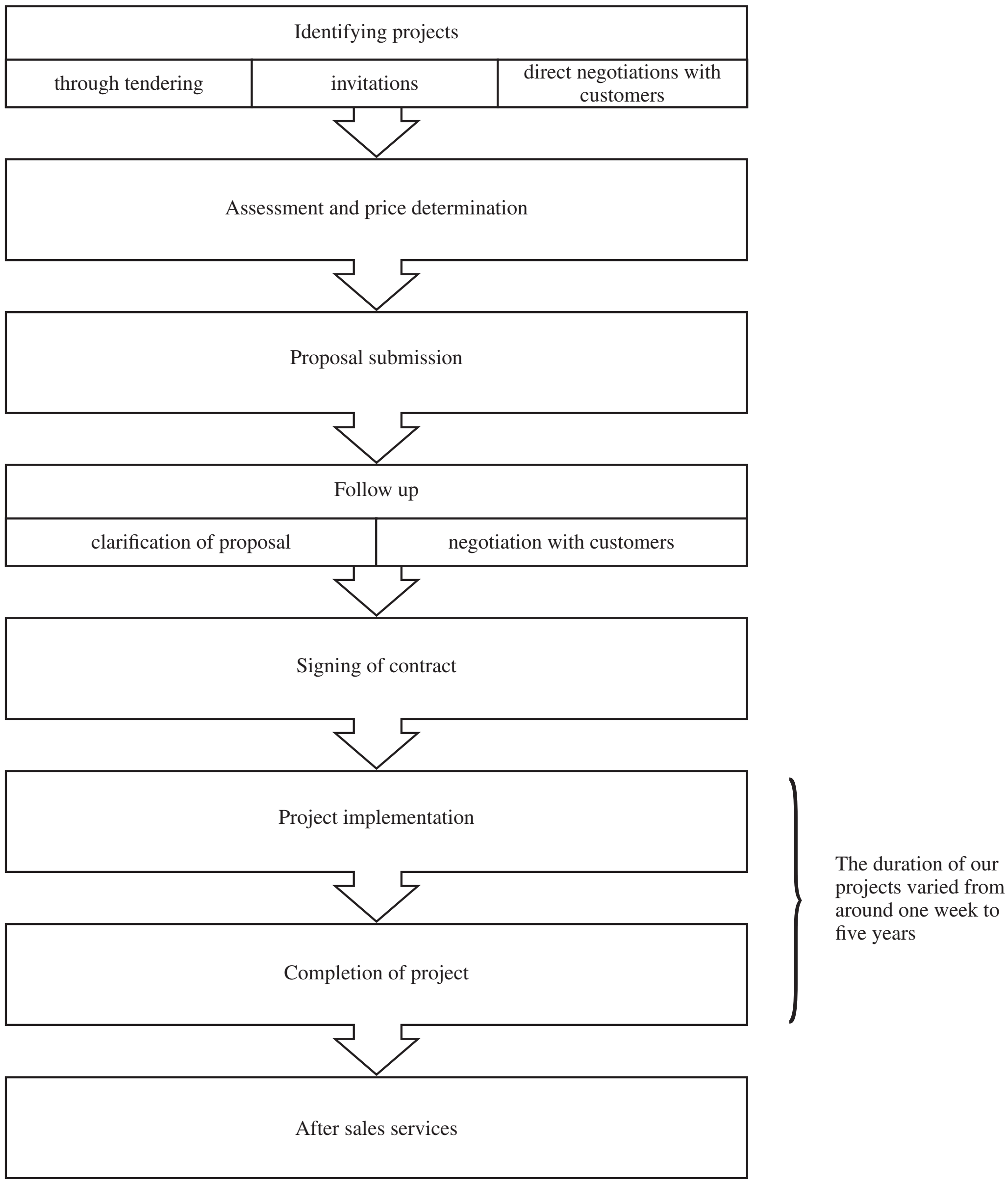
According to the payment schedule of Project A, 70% of the subcontracting revenue will only be received by us at a later stage. However, we recognise the subcontracting revenue derived from the provision of IT application and solution development services over time based on the percentage of completion. As the labour cost, being a major cost other than the procurement cost, is not substantial, our Directors are of the view that our Group will not face material pressure on our cashflow during the implementation of Project A.

As our payment to suppliers will be secured by the receipt from the PRC Partner, our Directors believe that the key financial ratios of our Group will not be materially and adversely affected by Project A.

For further details regarding the financial implication of Project A, please refer to the paragraph headed "Financial implication of Project A" under the section headed "Financial information" in this prospectus.

IT application and solution development life cycle

The following flow chart illustrates the major steps involved in an IT application and solution development project:



Identifying projects

For public sector projects, we generally identify tender invitations from different Hong Kong government departments from the Hong Kong government gazette, government websites or email notification of IT open tenders. The tender notices published by the Hong Kong government usually include a brief description and specification of the work required, contract period, contact details of the office where forms of tender and further particulars of the projects may be obtained and the closing time and date of the tender.

We also receive tender invitation letters or request for proposal letters from private sector customers. As our business is project-based, we do not have any annual tendering cycle, which is in line with the IT application and solution development industry.

Our Directors and staff from the sales and marketing team may carry out pitching and business discussion with potential customers from both private and public sectors to generate sales lead.

At times we are approached by the main contractors of certain projects through connections and previous working relationships and requested to provide an indication of our interest to act as their subcontractor. To facilitate the tender by main-contractors, we may enter into a teaming agreement with a team lead whereby we agree to negotiate in good faith a subcontracting agreement with the team lead if a contract is awarded to him.

Assessment, price determination and proposal submission

After we have obtained the tender documents and project requirements from our customers, a project director is assigned. Our project director will appoint a bid manager and form a proposal team to make preliminary assessment. Our proposal team will commence preliminary work to assess whether our Group would bid for the projects. Our proposal team will carry out preliminary works such as solution feasibility assessment, lining up with subcontractor(s) or partner(s) (if necessary), obtaining quotation for third party software and hardware products and assessing internal resources to provide preliminary costs of the proposal for our executive Directors' consideration. Our executive Directors are responsible for making the decision on whether or not to bid for the projects. If we are to bid for the projects, the proposal team will prepare technical proposals and pricing proposals for submission.

Prerequisites for tendering vary and depend on the specific tender. Such prerequisites may include but not limited to minimum number of years of experience in management of IT application and solution development projects and experience in developing a similar IT system with a minimum number of users. We are usually required to submit along with the tender, a company profile and details of relevant experience. Occasionally, our Group is required to place a security sum. As at the Latest Practicable Date, there were no specific financial requirements on our submitted tenders.

We consider the rates that our Group is able to charge for providing solutions and services depend on factors such as the complexity of the projects, the technology and equipment required, the expected number of man-days required to complete the projects, the expected gross margin and the level of competition our Group faces during the bidding process.

Follow up

After the submission of our proposals, we may receive enquires from our potential customers regarding our proposals. The proposal team then have to follow up with the potential customers to make clarifications in response to their enquires.

Bidding proposals during the Track Record Period

As of the Latest Practicable Date, there were ten bidding proposals for the IT application and solution development projects with contract values of HK$1 million or above pending tendering results. Please refer to the paragraph headed "Recent development subsequent to the Track Record Period" under the section headed "Financial information" in this prospectus for further details.

The following table illustrates our Group's success rate of bidding proposals for the IT application and solution development projects with contract values of HK$1 million or above:

	For the year ended 31 March 2012	For the year ended 31 March 2013	For the year ended 31 March 2014	From 1 April 2014 up to the Latest Practicable Date
Number of bidding results received by our Group	10	9	6	10
Number of successful biddings	2	3	3	6
Awarded contract sum (approximately)	HK$2.4 million	HK$17.4 million	HK$15.3 million	HK$431 million *(Note 1)*
Success rate of bidding proposals (%) *(Note 2)*	20% *(Note 3)*	33% *(Note 4)*	50% *(Note 5)*	60% *(Note 6)*

Notes:

(1) The contract value for maintenance and support services under Project A is excluded.

(2) Success rate of bidding proposals is calculated by total number of bidding proposals awarded over total number of bidding results received by our Group during the period/year.

(3) As at 31 March 2012, there was no bidding proposal pending tendering result.

(4) As at 31 March 2013, there was no bidding proposal pending tendering result.

(5) As at 31 March 2014, there were five bidding proposals pending tendering results, which are excluded from the calculation.

(6) As at the Latest Practicable Date, there were ten bidding proposals with contract values of HK$1 million or above pending tendering results, which are excluded from the calculation.

Our Directors consider that in respect of the unsuccessful cases, those tenders were not awarded to our Group mainly for pricing reasons. To the best knowledge of our Directors, the tender success rate in the industry is not readily available.

Signing of contract

A legally binding contract will be entered into between our customers and us when we are awarded with an IT application and solution development project. The contract typically contains the following salient terms:

Security sum	At times, we may be required to place a security sum with our customers to ensure our due performance during the term of the contract. The security is generally released to us upon completion of the project.
Payment	Generally, our IT application and solution development is provided on a fixed price basis payable in several milestones in accordance with the payment schedule. The fixed price is inclusive of all agency fees, medical or insurance expenses, tax payments (including corporate, transaction and individual) for the services provided and there should be no extra payment for other expenses which may arise in relation to the project. Payments will only be made after the customer accepts and signs off each payment milestone deliverable.
Credit terms	We generally grant a credit period to our customers for a period of 30 days after the issuance of our invoice.
Service scope	We normally set out our service scope in the contract which broadly includes the following:

1. Project management services: plan and coordinate the development work and testing work of the application, attend progress review meeting with the customer, review change request and provide feedback and estimation, monitor the progress to ensure on time completion and conduct quality assurance testing on the products.

2. Requirement management services: collect and confirm the customer's requirements before the commencement of the technical designing work.

3. System analysis and design services: perform analysis on customer's requirements and design the solution and application.

4. System development and unit test services: design and develop programme codes, perform unit test, verify unit test results and rectify problems identified in the test.

5. System integration test services: conduct integration test to verify that the developed programmes conform to the customer's requirements in an integrated testing environment.

6. Support for system acceptance test services: assist the customer to conduct system acceptance test for the developed application, investigate problems reported by the customer, provide solution and resolve the application faults found during the test.

Warranty period In some cases, we warrant that the developed programmes will conform to its technical specifications during the warranty period, which normally ranges from approximately 3 months to 12 months. During such period, we shall maintain and support the software at no charge to the customer.

Liability Some of our contracts stipulate that we shall indemnify and hold the other party harmless from and against all claims, lawsuits or proceedings, losses, damages, liabilities and costs (including legal costs) which arise directly and indirectly, in connection with or out of, or which relate in any way to:

(a) a breach of any provision of the contract;

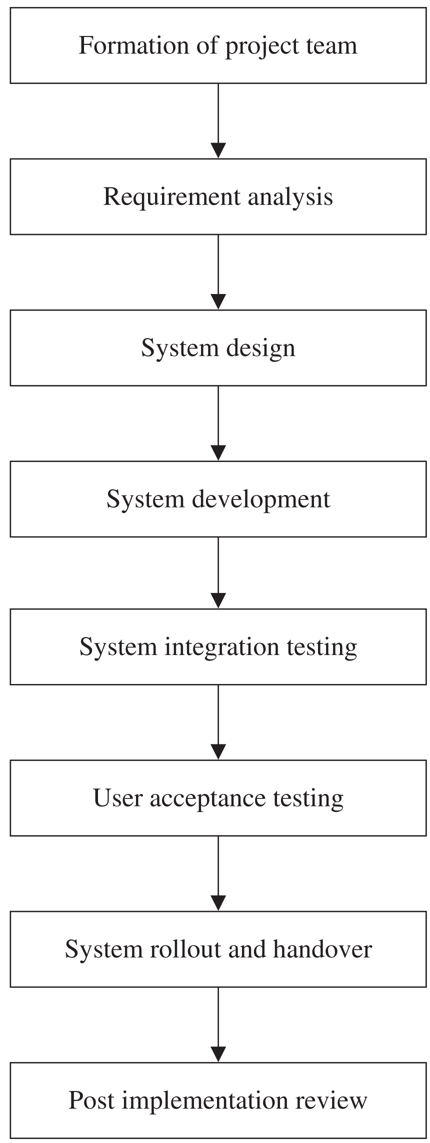
(b) the negligence, reckless or wilful misconduct of us, our consultants, employees, agents or subcontractors in the delivery of the project; or

(c) any authorised act or omission of us, our consultants, employees, agents or subcontractors.

Limitation of liability During the Track Record Period, we limited our total liability arising out or in connection with some projects for up to two times of the total fees.

IT project implementation

The chart below illustrates a typical IT application and solution development implementation flow:



The table below describes the details of each step in a typical IT application and solution development project:

Formation of project team

- Depending on the size of the project and the complexity of the work undertaken, the number of staff allocated to the project team varies
- Composition of a project team varies and may involve the following roles which are selected from our pool of staff:
  - — Project director
    - make final decisions and supervise the overall conduct of the project
    - liaise with stakeholders
  - — Project manager
    - manage the development and delivery of project
    - manage the project team
    - monitor overall progress, use of resources and initiate corrective action where necessary
    - liaise with project director, end users and project assurance personnel, subcontractors, and any other parties in relation to the project
  - — Team manager
    - prepare work plans for the team and monitor team's work
    - advise project manager of any deviations from plan
    - identify and manage risks arising from the project
  - — Quality controller
    - manage overall quality of the project
    - ensure compliance with internal standards
  - — Release manager
    - manage configuration system of the project

— Purchaser

- manage procurement of software, hardware and other requested products and services

— Other team members

- carry out the plans as directed by the project manager and team manager and inform supervisors of deviations from plans
- evaluate and implement changes for technical exceptions
- carry out quality control procedures

Requirement analysis	• User's existing system and infrastructure environment are understood • Requirements are gathered from end users including the business functions that they perform, the data entities required by the new system and sizing model of data storage • Prototyping may be used to assist analysis
System design	• Specifications are given based on the requirement analysis • A system analysis and design report is compiled, translating user requirements into technical requirements • System design specifications are signed off by the customer
System development	• Programme code is written/modified based on the design, specifications and development standards • If problems are discovered during the coding stage requiring changes to the design, specifications or development standards, the project manager initiates a change request
System integration testing	• Various units that make up the system are tested together, problems found are recorded and unites are re-tested until the results are satisfactory • Integrated system is installed and tested according to the system integration test plan • Changes may be made to the code if necessary and re-testing of the system is performed until the test results are satisfactory
User acceptance testing	• The user acceptance test plan is finalised and signed off by the customer

	● System is installed at the end user's site ● End users proceed with user acceptance test and the project team provides support if necessary ● Any problems found during the user acceptance testing are recorded and fixed by the project team ● After the user acceptance test is completed, the project manager obtains a sign-off from the end user
System rollout and handover, and post implementation review	● Accepted system is formally released to end user's production environment ● User training is provided to the end users and training is provided to the end users in respect of the operation of the system ● User feedback is collected ● Project team conducts a post implementation review ● System is handed over to the maintenance team

Procurement of third party software and hardware

Our IT application and solution development projects may involve the deployment of third party software and hardware. Depending on the requirements of our customers, we may have to procure third party hardware and software for our customers. These third party software and hardware normally include enterprise servers, database systems, or networking equipment from different suppliers.

We, as a system integrator, are responsible for ensuring that the sourced products conform to the system requirements of our customers and support the software developed by us. At times, our customers or end users may specify certain vendors to procure from or certain brands of products or specific products to be procured. We negotiate the prices and terms with all the vendors on an arm's length basis and on normal commercial terms.

For contracts undertaken by us as a subcontractor, if the subcontracts entered into between us and the main contractor so provides, the main contractor may be responsible for purchasing the third party software and hardware.

After sales service

Warranty period commences once the solution is fully implemented and handed over to the customers. Warranty periods offered by us in respect of our IT application and solution development project usually ranged from approximately 3 months to 12 months. During the warranty period, we shall generally carry out problem diagnostics, bugs and technical errors fixes (other than those errors resulting from the wilful default or neglect on the part of our customers) without any additional costs on top of what our customers have paid for the implementation of the IT application and solution development.

The usual warranty offered by us also covers any changes, modifications or enhancements made to the solution during the warranty period. For certain contracts, if changes, modifications or enhancements are made to the solution within the final month of the warranty period, the warranty period may be extended for a further period at no additional cost to the customers.

Depending on the individual contract, if an error is unable to be remedied by our Group, the customers may be entitled to rescind the portion of the contract relating to the error and request our Group to refund for the relevant portion.

Subject to the agreement, we may have to conduct training courses for our customers in relation to the developed IT solutions.

Completion of project

Duration of IT application and solution development project

The duration of our IT application and solution development projects is affected by a wide range of factors including scope of work, technical complexity, delivery lead time of third party software and hardware, expectation of customers, and varies widely.

During the Track Record Period, the duration of our IT application and solution development project varied from approximately 1 week to 5 years. Project duration may occasionally be lengthened due to change requests initiated by our customers.

Payment for IT application and solution development

The terms of each mandate, including the billing arrangement, are negotiated between the customers and our Group and are determined on a case-by-case basis with reference to the specific circumstances of each project.

Each of the IT application and solution development projects is provided on a fixed-price basis payable in several milestones in accordance with the payment schedule of the mandate. It is the current practice of our Group to bill the fees under the mandates in three to five payments for projects having a length of up to twelve months under normal circumstances with the first payment to be paid upon signing of the contract. The following payments will be paid according to the completion of critical milestones of the projects, for example, signing off system design, performing system integration testing or performing user acceptance testing. The final payment will be paid upon the system handover and post implementation review of the applications or solutions.

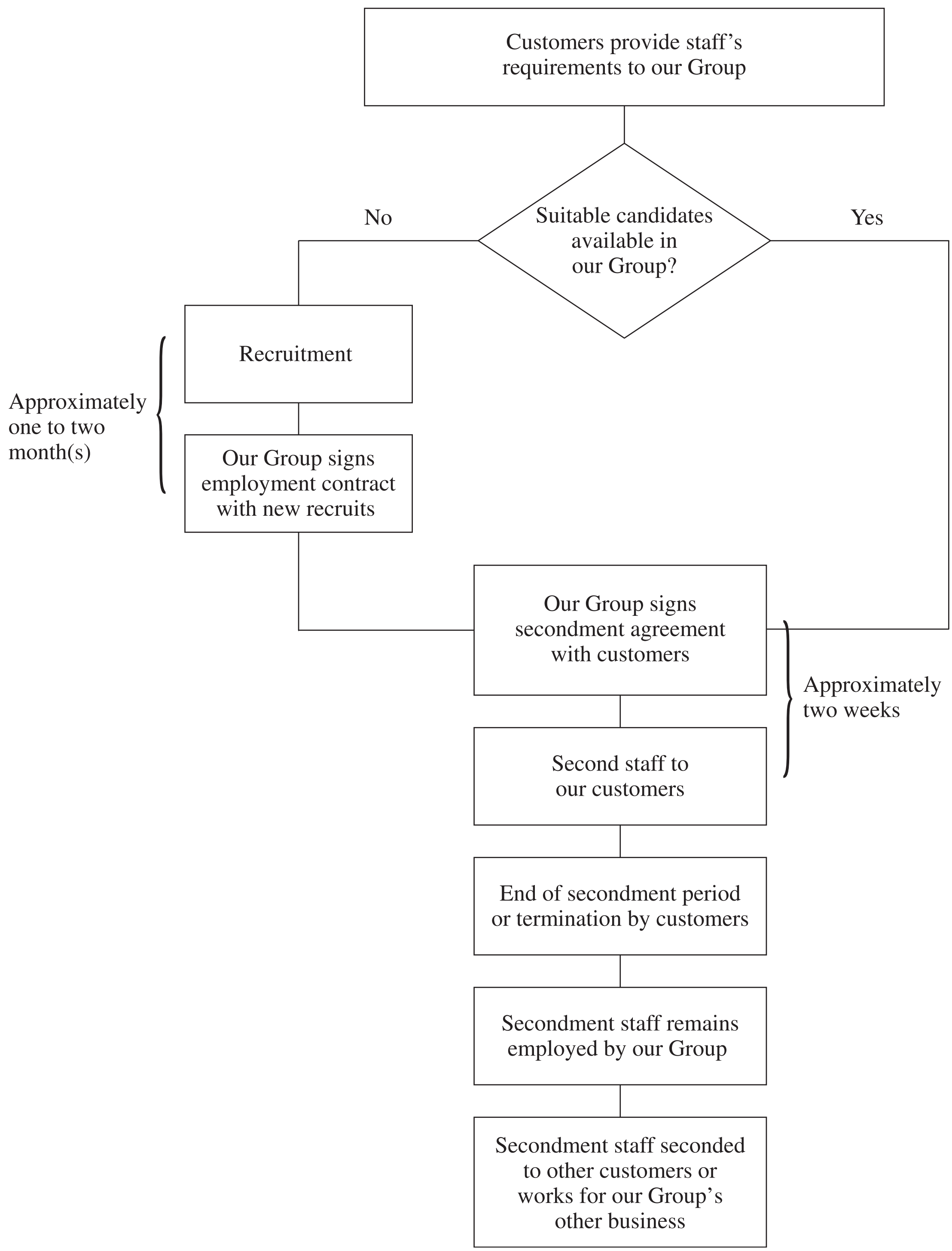
Payment for IT solutions varies according to the relevant agreements. For some projects, we receive payments in several milestones as determined in the relevant agreements; for some, we receive one-off payment from our customers upon the signing of the contract; for some, we require customers to pay a portion of the contract price upon the signing of the contract, ranging from 10% to 40%. From time to time, our customers may initiate change requests by which the scope of work of the original agreements is amended and the contract sum will normally be varied.

PROVISION OF SECONDMENT SERVICES

Our Group has been offering secondment services in Hong Kong since 1995 where we designate staff from our pool of staff to work for our customers during the term of the secondment service agreements.

During the Track Record Period, we had seconded our staff to 10 customers covering different backgrounds including government and statutory bodies, financial institutions, and general business enterprises. We mainly provide architect, system analyst, and analyst programmer for IT system and software design, development, testing and implementation. As our seconded staff work on-site at our customers' premises, our customers are able to have readily access to the relevant manpower.

The below chart illustrates a typical workflow of our secondment service:



When we receive potential secondment service requests from our customers, we shall first ascertain our customers' requirements against the experience, qualifications and skill-sets of our existing pool of staff. Suitable candidates are deployed from within our staff pool if possible, if none of the candidates match our customers' requests, we shall then recruit new staff from the outside.

Once the suitable candidates have been selected, our Group will enter into a secondment agreement with our customers. The secondment agreement with the relevant customers will usually contain among others, provisions regarding the working hours, scope of work and protection of our customers' confidential information and intellectual property rights. During the duration of the secondment service agreement, and after the secondment period, the seconded staff remain as employees of our Group. Once the secondment agreement is terminated, the relevant staff will either be seconded to other customers or be deployed to work on other business for our Group.

The following table sets out the breakdown of the number of our staff on secondment to our customers by industry sector as at the end of each of the periods during the Track Record Period and as at the Latest Practicable Date:

Industry sector	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 30 September 2014	As at the Latest Practicable Date
	Number of staff	*Number of staff*	*Number of staff*	*Number of staff*	*Number of staff*
Government and statutory bodies	12	5	1	—	—
Financial institutions	86	64	65	80	80
General business enterprises	4	9	17	1	—
Total	102	78	83	81	80

Our seconded staff

Our seconded staff mainly include architect, system analyst, and analyst programmers/programmer who are responsible for handling IT-related matters, such as system administration, business intelligence, system design and development, for our customers engaged in different industries.

The various types of seconded staff and their respective responsibilities are as follows:

Position	Responsibilities
Architect	• Design and carry out implementation of application development framework • Lead development team in applying application development practices and technologies • Provide consultancy service for reviewing and revising overall system architecture
System analyst	• Analyse and design application functions based on user requirements • Lead development team in implementing functional development, testing, deploying and maintaining system
Analyst programmer/ programmer	• Develop application functions using applied technologies and practices • Assist team in program coding, testing, bug fixing, deployment and maintaining system

The following table sets out the breakdown of the number of our staff on secondment to our customers by grading as at the end of each of the periods during the Track Record Period and as at the Latest Practicable Date:

	As at 31 March			As at 30 September	As at the Latest Practicable
	2012	**2013**	**2014**	**2014**	**Date**
	Number of staff	*Number of staff*	*Number of staff*	*Number of staff*	*Number of staff*
Grading					
Architect	2	2	4	2	2
System analyst	27	22	38	33	32
Analyst programmer/ programmer	73	54	41	46	46
Total	102	78	83	81	80

If any of our seconded staff resigns, we shall notify our customers within a reasonable period and, if requested, will find a replacement staff for our customers. If our customers are not satisfied with the performance of the seconded staff or if our seconded staff fail to meet the customers' standards, we shall find a replacement staff provided that our customers' request is reasonable. Nevertheless, our customers have the right to terminate the secondment agreements by giving the agreed period of advance notice.

During the Track Record Period and up to the Latest Practicable Date, we had not received any complaints in relation to the performance of our seconded staff other than request for replacement of seconded staff nor had we received any complaints from our customers in respect of any deficiency of our complaints' handling procedures or the manner in which we had handled any particular complaint.

We, being the employer of our seconded staff, are responsible for handling their employment related administrative work, such as preparing employment contracts, payroll calculation and processing, administering employee benefits, providing them with employee's compensation insurance and preparing and filing relevant employer's return and notifications to the IRD.

Our Directors consider that the entry barrier of secondment service is low; however, given that our Group has a good understanding of our customers' businesses, products and industries, our seconded staff have an edge, being equipped with the specific skill-sets and technical support in order to meet our customers' needs.

Salient terms of the secondment service agreement

Our secondment service agreements during the Track Record Period usually contain the following provisions: (i) the scope of our services; (ii) the basis of our service fees, which is usually a fixed monthly rate (and pro rata) chargeable on a monthly basis, and payment terms of our seconded service fees; (iii) requirements for seconded staff; (iv) the duration of the agreement, which may be a fixed term ranging from approximately 4 months to 18 months subject to early termination by one month's written notice served by either party.

Service fees

All the secondment service fees and arrangements are agreed between our customers and us upon the signing of the secondment service agreements before the commencement of secondment services and shall remain unchanged during the contract period unless otherwise mutually agreed. The pricing of secondment services depends on factors such as experience and qualification of the seconded staff, the salary of the seconded staff and the prevailing market rate.

Our service fees are generally charged on a monthly basis. Our seconded staff may be required to fill in a time-sheet each month detailing the number of days or hours worked and over-time spent for our customers. The time-sheet will be submitted to our customers for verification. Subject to the approval of the time sheet by our customers, we shall issue an invoice to our customers based on the rate agreed upon in the secondment service agreement. Some of the secondment service agreements might specify service fee caps for the fees chargeable by us during the term of those secondment service agreements.

It generally takes about one to two week(s) from the end of the preceding month for our customers to verify and approve the time sheet after our submission. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any incident where our customers had withheld approval of the payment to us nor had we received any complaints from our customers about material errors in time sheet entry.

PROVISION OF MAINTENANCE AND SUPPORT SERVICES

We offer a range of maintenance and support services to our customers in relation to (i) third party hardware, software and systems and (ii) applications developed by us. In general, our maintenance and support services help our customers to keep their IT systems in good working order, identify and resolve errors and defects in the hardware, software and systems and solve such problems.

Following the completion of the project and acceptance by our customers or the expiry of the warranty period (if any) of our IT application and solution development, if our Customers wish to continue retaining our services to ensure the smooth running of their solutions, they will usually enter into a separate maintenance agreement with us. We may also be engaged by customers for whom we have not provided any IT application and solution development to provide maintenance and support services for their existing IT systems.

Our customers of maintenance and support services mainly include government and statutory bodies, financial institutions and general business enterprises including multinational customers.

The table below shows the number of agreements from which revenue from our maintenance and support services segment was derived during the Track Record Period:

Year ended 31 March						Six months ended 30 September	
2012		**2013**		**2014**		**2014**	
Number of agreements	*Approximately HK$'000*	*Number of agreements*	*Approximately HK$'000*	*Number of agreements*	*Approximately HK$'000*	*Number of agreements*	*Approximately HK$'000*
19	16,954	28	18,825	26	19,614	25	9,933

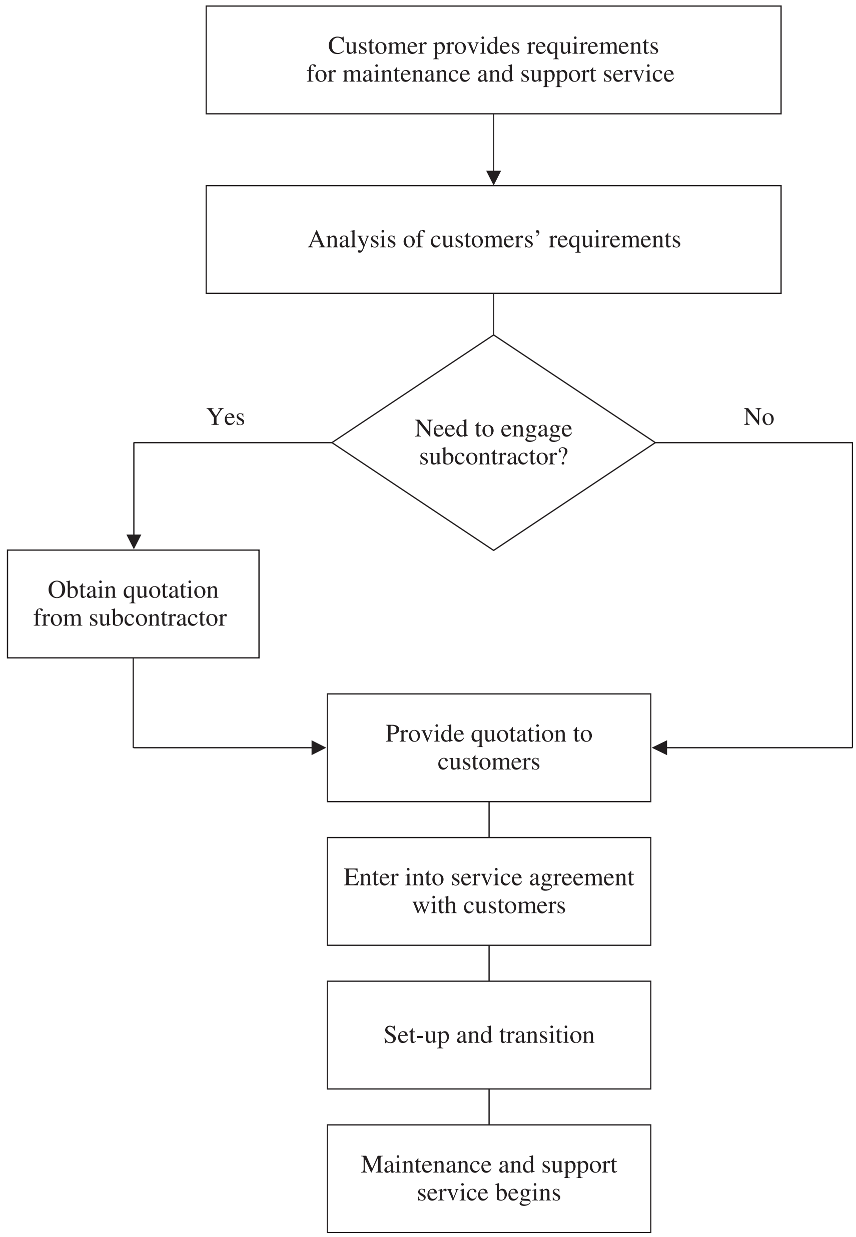
Maintenance and support services agreements

Set out below are the maintenance and support services agreements in force with over one year of remaining service period as at the Latest Practicable Date:

End customer's business nature	Maintenance work handled by	Type of products	Maintenance period		Total revenue recognised as at 30 September 2014	Total contract value
			From	to	*HK$'000*	*HK$'000*
Government body	Our Group	Maintenance and support for exit/ entry system	July 2004	October 2016	26,141	36,388
Government body	Our Group	Maintenance and support for workflow management system	September 2007	September 2016	8,587	10,958
Government body	Our Group	System maintenance and support service	December 2014	May 2016	Nil	1,428
Government body	Our Group	Maintenance and support for system	March 2018	March 2027	Nil	over 500,000

The agreements entered into between our customers and our Group for maintenance and support services agreements in force with over one year of remaining service period as at the Latest Practicable Date are legally binding long-term agreements. The duration of the agreements is for fixed terms, extendable for a further period prior to the expiry of the term. Our customers may terminate the contracts by giving the requisite period of written notice. The maintenance fees are fixed annual amounts inclusive of all taxes and expenses that may arise in relation to the carrying out of the maintenance and support services. Any out of scope work will only be paid for if our Group goes through the change request procedure and if the additional fees are mutually agreed by both parties.

The below chart illustrates a typical workflow of our maintenance and support services:



When we receive a maintenance and support service request from our customers, we shall first ascertain our customers' requirements. We shall conduct due diligence baseline study which identifies among others, manpower requirements, hardware requirements, software requirements and budgets.

If services are required from a subcontractor, we shall obtain a quotation from them. Based on the resource plan, we shall estimate our approximate charges for maintenance and support services and finalise the terms of the agreement with our customers. Once we have entered into an agreement with our customers, we shall proceed to carry out setting up and transition work during which we shall setup the helpdesk, assign helpdesk and onsite support engineers to the project and assign a project manager to act as the point of contact for our customers.

Our scope of work

We normally state our scope of work in our maintenance and support agreements with our customers. Our scope of work under maintenance and support services can be broadly categorised into the following:

Service helpdesk

We shall provide dedicated phone numbers or email addresses as first tier contact for our customers. Through our service helpdesk, we provide application support to our customers such as answering usage-related problems, fixing application problems and coordinating problem reporting.

We normally state out our service hours in the agreement. Some of our hotline/email services are outsourced.

IT systems administration, management and capacity planning

We provide system, database and network administration and management services to our customers. For system and database, we act as the IT system and database administrator to perform all system and database administration tasks to support and maintain the IT systems. We carry out work such as user account management, access control management, password policy setting, backup and recovery strategy and procedures formulation, disk management and security control. We also provide system recovery and data restoration services in order to maintain the availability and reliability of the IT system.

We also help our customers monitor the performance and capacity of their IT systems by reviewing their sizing model, capacity requirement and monitoring system utilisation. We then assess the cost implications for consequential changes and make suggestion to our customers. System tuning and housekeeping work will be carried out if necessary.

IT Security management

We provide IT security monitoring services that include proactive alert on system vulnerabilities and security threats such as virus, worms or other malicious activities. Once a security vulnerability or threat is identified, we help our customers apply patches or re-configure their IT systems to fix or remove such vulnerability or threat. We also help our customers perform health checks of their IT systems and recommend equipment and systems that can cope with their business changes.

Maintenance

In the event that a defect in the hardware, software or system is identified, we shall perform maintenance service to remedy any defects. In case of hardware maintenance, we may carry out inspection on site and if the defects can only be fixed by the hardware manufacturer, we shall have to send the hardware to the manufacturer for maintenance. Subject to the agreement, we may have to loan hardware to our customers to replace the faulty hardware temporarily.

In case of software maintenance, we may first simulate the scenario, identifying the cause and assessing its impact, and then we shall recommend solutions or work-arounds, implement them and carry out regression test.

System changes, enhancements and patch management

New or upgraded version of software may be released during the term of maintenance and support service. These new or upgraded version of software may contain bug fixes, new features and minor enhancements. We help our customers install and integrate such new or upgraded software in their IT systems.

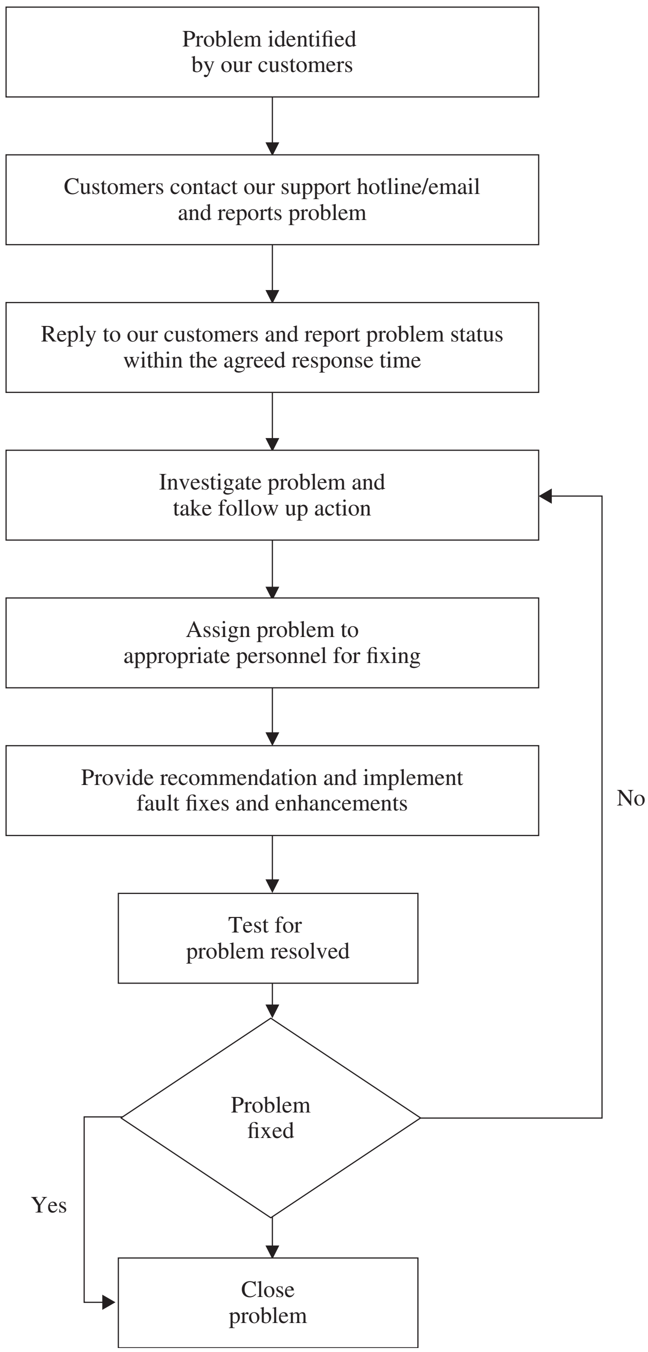
We may design, modify and enhance third party software to meet the requirements of our customers. We also update the relevant documentation related to the system changes and enhancements. We may provide user training in respect of the enhancements and system changes.

We also provide patch management service where we deploy and test system patches or firmware provided by third parties in a test environment before deploying them in our customers' production environment.

Our maintenance and support service workflow

Once our customers encounter a problem with their IT systems, they would contact our support helpdesk through telephone or email. Our helpdesk representative will then despatch our customers' request to the relevant technical staff. Our staff may gather system log, trace or screen capture to conduct diagnosis. Our technical staff may also investigate the problem through remote access to our customers' systems. If such problem cannot be tackled over the telephone or email, our technical staff may have to provide on-site support. When the problems are tackled, we may have to prepare reports to our customers.

Our typical workflow for maintenance and support service is illustrated as follows:



Salient terms of the maintenance and support service agreement

Our maintenance and support service agreements usually contain the following provisions: (i) the scope of our services; (ii) service hours; (iii) our response time in connection with our customers' maintenance and support service request; and (iv) the basis of our service fees, which is usually a fixed rate. During the Track Record Period, the duration of our maintenance and support services agreements was usually for a fixed term ranged from one year to ten years.

Service fees

All the maintenance and support service fees and arrangements are agreed between our customers and us upon the signing of the agreements before the commencement of maintenance and support services and shall remain unchanged during the contract period unless otherwise mutually agreed.

We take into account various factors when pricing our maintenance and support services, including the cost of our suppliers, the scope of work, the required service level and the complexity of our customers' IT systems.

PROVISION OF IT INFRASTRUCTURE SOLUTIONS

We design, build and optimise our customer's backbone network and IT systems. Our Group provides IT infrastructure solutions to customers by integrating servers with different platforms, storage systems, security systems, software, networking equipment, backup solution, office automation, professional services, etc. sourced from different hardware and software suppliers. The IT infrastructure solutions normally will not involve any software development.

Our IT infrastructure solutions mainly cover the following services:

Network solution

- Sizing, topology design, and implementation of network solution such as building a secure local area network with high availability.

IT systems solution

- Sizing, design and implementation of various IT systems including servers, operation systems, storage and recovery systems and security systems.
- IT systems migration and optimisation such as operation systems upgrade and migration, and servers consolidation, optimisation and virtualisation.

Backup solution

- Sizing, design and implementation of traditional backup solution, and virtual tape library backup solution

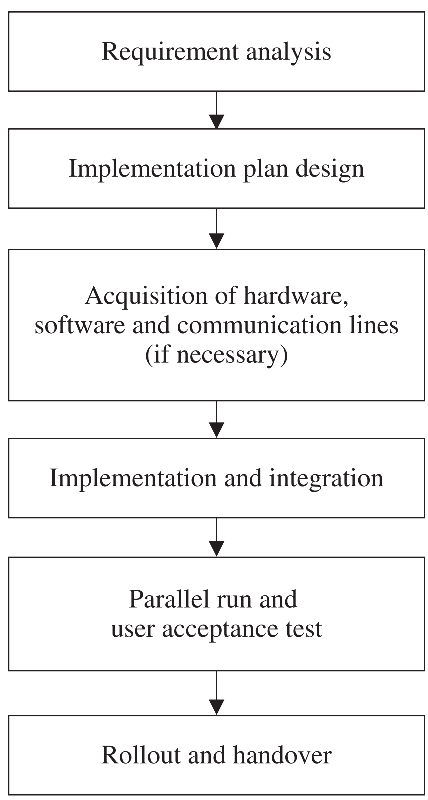
Visualisation solution

- Support for visualisation platform including AIX, Windows and Linux System

When our customers come to us with requests to update and/or change their existing infrastructure, our technical and sales team will first study their requirements taking into consideration of their present and future needs. Then, we shall design, select and propose the most appropriate hardware and software, come up with an implementation plan and package it into an IT infrastructure solution that suits our customers' individual needs. We shall then obtain quotations from each of the suppliers for the relevant hardware and software. For larger suppliers who may distribute their products through distributors, our suppliers send us their price lists weekly. As the prices offered by distributors generally conform with the prices in the supplier's price list, we contact individual distributors to get a sense of their stock levels for the products we are interested in. We shall then prepare a quotation for our customers for the entire IT infrastructure solution, taking into account the various quotations provided by our suppliers as well as services provided by our Group.

Once the quotation is accepted by our customers, our Group will then reserve appropriate resources and place orders with various suppliers for various hardware and software in accordance with the IT infrastructure solution plan. Our suppliers usually deliver their products directly to our customers' offices, where we shall proceed to install and implement the solution. Successful implementation of the IT infrastructure solution is finally followed by payment by our customers within their respective credit periods.

The following chart illustrates the typical workflow of our IT infrastructure solutions:



We generally carry out the following tasks in each of the above stages:

Requirement analysis

- Study customers' existing IT environment
- Determine and confirm customers' requirements

Implementation plan design	• Provide implementation plans including IT systems set up, testing, migration, cutover and fallback • Provide updated proposal on existing network, hardware and software (if necessary) • Define site preparation requirements and cabling requirements (if necessary)
Acquisition of hardware and software and communication lines (if necessary)	• Prepare acquisition proposal of hardware and software and communication lines • Make relevant licence applications for strategic commodities to the Strategic Trade Controls Branch of the Trade and Industry Department (if necessary) • Monitor delivery of hardware and software
Implementation and integration	• Conduct site preparation and cabling work (if necessary) • Carry out installation, configuration and reliability test of hardware, software and communication lines supplied by third parties (if any) • Configure and customise the hardware and software for the integration with the existing IT environment • Perform functional and integration test • Perform data migration and update for existing IT systems
Parallel run and user accept test	• Parallel run with existing system • For new system, select certain users to perform production rehearsal
Rollout and handover	• Handover to customers

Revenue generated from the provision of IT infrastructure solutions by geographical location

The table below illustrates the breakdown of our revenue from IT infrastructure solutions by Hong Kong and the PRC during the Track Record Period and periods mentioned below:

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
							(Unaudited)			
Hong Kong	118,185	94.9	103,957	95.8	108,031	100.0	53,748	100.0	50,228	100.0
PRC	6,377	5.1	4,563	4.2	—	—	—	—	—	—
	124,562	100.0	108,520	100.0	108,031	100.0	53,748	100.0	50,228	100.0

Our IT infrastructure solution business in the PRC was discontinued through the Disposal on 1 April 2013.

Revenue generated from the provision of IT infrastructure solutions by industry sector

During the Track Record Period, the end-users of our IT infrastructure solutions include government and statutory bodies in Hong Kong, financial institutions (including banks and insurance companies) in Hong Kong and other general business enterprises (including both local and multinational customers in Hong Kong and the PRC).

The following table sets out our Group's revenue generated from our provision of IT infrastructure solutions by industry sectors during the Track Record Period:

	Year ended 31 March			Six months ended 30 September
	2012	**2013**	**2014**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Industry sectors				
Government and statutory bodies	2,190	3,700	964	220
Financial institutions	34,821	52,104	61,285	26,509
General business enterprises	87,551	52,716	45,782	23,499
Total	124,562	108,520	108,031	50,228

Duration of our IT infrastructure solutions

The duration of our IT infrastructure solutions ranged from approximately one week to five years. The duration varies and largely depends on the scale of the IT infrastructure and the scope of work assigned to us.

Return and warranty

The hardware and software components that make up our IT infrastructure solutions come with original warranties offered by our suppliers which usually range from 12 months to 24 months. In the event there are any defects with the hardware and/or software, our customers may contact our suppliers directly to rectify the defects or failing which, to obtain a refund. During the Track Record Period, we have not encountered any material refund.

INTERNAL CONTROL

In order to mitigate the significant risks inherent to our business model, we have adopted and implemented certain policies and internal control. Our Directors are responsible for monitoring our internal control system and reviewing its effectiveness. Our independent internal control consultant, Lau & Au Yeung C.P.A. Ltd. performed an assessment on our internal control systems including reviewing guidelines and policies which are implemented through our operational process. No material insufficiency and ineffectiveness on the internal control system had been identified by our internal control consultant. Below are some internal control measures we have implemented to mitigate certain risk factors of our business.

Cash flow management to mitigate the risk of cash flow mismatch

Among our business segments, we consider that the cash flow risk in respect of our maintenance and support services and secondment is the lowest as receivables are recognised prior to the performance of our services and/or placing of orders with suppliers. In respect of our IT application and solution development since our customers make payment after signing off the relevant payment milestone deliverable, our Directors consider that the cash flow risk is higher.

To manage our cash flow risk, after we issue invoices to our customers, a record of the invoice is entered onto the invoice register maintained by our accounting team. Our accounting team will then monitor the settlement of invoices by our customers to ensure that payment is made by our customers within the credit periods granted to them and update the account receivables ageing report monthly. Our accounting staff check the ageing of trade debts on a monthly basis, and overdue trade debts are passed to our project team members for follow up with the respective customers. Our accounting team prepares a monthly cash flow report which is submitted to our executive Directors.

We also enhance our cash flow management system by preparing a 12-month cash flow projection bi-yearly. Each business segment individually estimates the future cash inflow based on existing and projected contracts/orders and the projected outgoing costs. The consolidated information from all business segments is presented to our executive Directors for their review. Each business segment reviews their estimations quarterly so that the cash flow projection may be updated if necessary. On a quarterly basis, our accounting team also compares the cash flow projection with the actual performance and budget of our Group and produces a variance analysis for our executive Directors' review.

Liquidity management

To maintain our liquidity going forward, we have adopted policies for preparing and reviewing monthly cash flow forecast report to estimate the available fund balances which sets out cash inflow and outflow of each line of businesses. The report also sets out closing balances for all the bank accounts, amounts of trade debtors by ageing, amounts of trade creditors by ageing, bank borrowings, limits of available facilities, and outstanding and available balances by each facility. The report will assist our management to forecast significant cash flow shortfall in advance and make necessary business decision to mitigate the shortfall in a timely manner. With reference to the cash balances and the monthly report, we are able to manage the credit period granted to customers and the collection from outstanding trade debtors.

Controls over project delay and cost overrun

As required by our QMS, we produce QM trails at the start of each project and/or service to help us plan the delivery timeline of our projects and/or services and ensure that the timeline is strictly followed by our project teams.

Before entering into a contract or submitting a tender, our Group first works out a resource plan with reference to our customers' requirements to assess the time required to complete the project and/or service. Based on the resource plan, our project team produces a weekly plan containing details of specific work that is to be performed by various team members. Our project team meets at least weekly to discuss the progress and any material deviation from the weekly plan is reported to the project director. Project director will also notify our executive Directors of any possible delay of completion of any milestones so that any impact on cash flow and operation result can be reported to our executive Directors. Our Directors believe that by strict monitoring of our work progress, we are able to ensure timely delivery and detect risks of cost overrun at an early stage. For further details of our quality management system, please refer to the section headed "Quality Control" under the section headed "Business" in this Prospectus.

Limitation on liability

We may be exposed to potential liabilities for damages or injuries caused by our negligent acts or omissions in the provision of our services. We generally negotiate with our customers to include a contract provision which limits our liability to two times of the total fees received by us under the contracts for IT application and solution development. In respect of contracts for secondment services, we generally include a contract provision which limits our liability to the contract sum. Furthermore, as required by our internal guidelines, contracts with sums of over HK$10.0 million or contract liability over two times of the contract sum require approval by our Directors. In respect of contracts with special terms and conditions, we actively seek legal advice to clarify the scope of our potential liabilities.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material claim, legal action or lawsuit from our customers in connection with any negligent acts or omissions in our provision of services, or supply of defective hardware and software.

Controls over authorised use of software

If computers of former staff members are assigned to new staff, our Group takes care in reformatting the computers to remove all traces of potentially confidential information that may have been accessed by the former staff. We monitor the types of software used by our staff by requiring each staff to make an application to their respective project managers before the installation of new software.

To ensure that our staff do not use, install or download unauthorised software, we have assigned a senior staff to perform random surprise checks on employees' computers to check for the presence of illegal software.

Mitigation of risk of breaching confidentiality obligation to our customers

Our staff may come into possession of certain proprietary or confidential information pertaining to our customers or their businesses while they perform their duties to our customers. During the course of their secondment, our seconded staff may have access to confidential information relating to our customers' data. We have issued to staff internal guidelines in respect of the handling of confidential information. Furthermore, before the commencement of a secondment, the secondment staff will be briefed in respect of the code of conduct adopted by the particular customer and provided with the customer's guidelines. Each project team has a team member who is responsible for overseeing the ethical behaviour of each team member and communicating with our customers to keep track of any complaints in respect of staff behaviour. Furthermore, our staff may be required to sign a non-disclosure agreement or confidentiality undertaking as requested by our customers.

During the Track Record Period and up to the Latest Practicable Date, we have not had any complaints or incidents of leakage or misappropriation of our customers' confidential information.

Ensuring compliance with bank covenants

Our company secretary is responsible for monitoring the compliance with our bank covenants. Our company secretary will prepare and update a summary of terms and conditions of banking facilities and immediately upon any change in banking facilities or receiving any notice from banks. The summary will highlight the important bank covenants and requirements, in particular, those which are linked to financial indicators such as net asset value and profit.

Our company secretary will regularly review the monthly financial statements to ensure the financial indicators are in compliance with the bank covenants. On a quarterly basis, our company secretary will report the summary to our executive Directors to inform the Board of any material changes or new requirements.

If our company secretary identifies any potential breach of covenants, the incidents will be brought to the attention of our executive Directors immediately and the Board will be notified by our executive Directors. Our company secretary will communicate with the bank, if necessary, and make sure the non-compliance will be avoided.

Controls over use of fund pool of security sum

In order to improve our control of cash flows and to maintain liquidity requirements for due performance set by some customers, our Group will set up a fund pool of security sum and the fund will be placed in a segregate bank account from the normal operating accounts of our Group. A portion of the net proceeds from the Placing of approximately HK$8.5 million will be injected to the fund pool. The fund should be used to invest in capital protected products or short-term interest bearing deposits. The fund cannot be used for other purposes, save for reallocation for expansion of IT application and solution development business such as strengthening tender capabilities. The size of the fund shall be reviewed by the audit committee annually. Any adjustment of policy of the use of fund shall be approved by both the Board and the audit committee.

Business allocation measures between ICO HK and ICO Technology

For new customers

All (i) IT application and solution development services; (ii) secondment services; and (iii) maintenance and support services will be referred to ICO HK. All IT infrastructure solutions will be referred to ICO Technology.

For existing customers

If existing customers of IT infrastructure solutions of ICO Technology wish to engage us for (i) IT application and solution development; (ii) secondment services; and (iii) maintenance and support services, the relevant engagement will be referred to ICO HK.

If our existing customers who have already engaged ICO HK to provide (i) IT application and solution development, (ii) secondment services, or (iii) maintenance and support services and wish to further engage us to provide IT infrastructure solutions for supporting the existing projects, ICO HK shall provide IT infrastructure solutions.

The above measures have been implemented since 2006. The implementation of the above measures are overseen by our Directors.

SALES, MARKETING AND CUSTOMERS

Customers

Our customers include government and statutory bodies, financial institutions and enterprises of various scales. We had approximately 216, 198 and 137 customers for each of the three years ended 31 March 2012, 2013 and 2014 and 109 customers for the six months ended 30 September 2014 respectively. Set out below is a breakdown of revenue by industry sector during the Track Record Period and the periods mentioned:

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
							(Unaudited)			
Government and statutory bodies	13,086	5.9	19,798	10.1	14,441	7.6	10,214	10.8	2,157	2.4
Financial institutions	75,259	34.1	87,310	44.5	93,936	49.4	40,484	42.8	46,029	51.9
General business enterprises	132,342	60.0	89,044	45.4	81,607	43.0	43,956	46.4	40,529	45.7
	220,687	100.0	196,152	100.0	189,984	100.0	94,654	100.0	88,715	100.0

In respect of IT application and solution development projects, a main contractor who subcontracts IT application and solution development work to us is considered to be our customer.

In respect of secondment and maintenance and support services of our Group, we have entered into contracts with our customers for fixed terms normally ranging from approximately four months to ten years which may be renewable for a further term. For details of our secondment and maintenance and support services, please refer to the sections headed "Provision of secondment service" under the section headed "Business" and "Provision of maintenance and support services" under the section headed "Business". In respect of our other services offered, contracts are entered into with our customers on a project-by-project basis. Save for the abovementioned, we have not entered into any long term agreements with any of our customers.

During the Track Record Period and up to the Latest Practicable Date, our Group has not received any material complaints from our customers.

The following table sets out our top five customers for the year ended 31 March 2012:

Customer	Background	Types of products/services supplied/provided by us	Revenue from the customer *(HK$'million)*	Percentage of our Group's total revenue	Year(s) of relationship with our Group as at 31 March 2012
Customer A	Retail bank	Secondment services	38.6	17.5	6.4
Customer B	Global IT outsourcing company	IT infrastructure solutions	30.4	13.8	4
Customer C	Multinational technology and consulting corporation	IT application and solution development, and maintenance and support services	23.2	10.5	15.3
Customer D	Global transportation and logistics company	IT application and solution development, and maintenance and support services	13.1	5.9	4.1
Customer E	Retail bank	IT application and solution development, and IT infrastructure solutions	12.5	5.7	6
Total			117.8	53.4	

The following table sets out our top five customers for the year ended 31 March 2013:

Customer	Background	Types of products/services supplied/provided by us	Revenue from the customer *(HK$'million)*	Percentage of our Group's total revenue *(%)*	Year(s) of relationship with our Group as at 31 March 2013 (approximately)
Customer E	Retail bank	IT application and solution development, secondment services and IT infrastructure solutions	31.7	16.2	7.0
Customer A	Retail bank	Secondment services	31.3	16.0	7.4
Customer C	Multinational technology and consulting corporation	IT application and solution development, and maintenance and support services	20.3	10.3	16.3
Customer B	Global IT outsourcing company	IT infrastructure solutions	12.4	6.3	5.0
Customer D	Global transportation and logistics company	IT application and solution development, secondment services, and maintenance and support services	9.9	5.0	5.2
Total			105.6	53.8	

The following table sets out our top five customers for the year ended 31 March 2014:

Customer	Business nature	Types of products/services supplied/provided by us	Revenue from the customer *(HK$'million)*	Percentage of our Group's total revenue *(%)*	Year(s) of relationship with our Group as at 31 March 2014 *(approximately)*
Customer A	Retail bank	Secondment services	27.5	14.5	8.4
Customer E	Retail bank	Secondment services and IT infrastructure solutions	26.1	13.7	8.0
Customer C	Multinational technology and consulting corporation	IT application and solution development and maintenance and support services	18.3	9.6	17.3
Customer F	Retail bank	Secondment services and IT infrastructure solutions	13.2	7.0	2.3
Customer G	Government and statutory body	IT application and solution development, secondment services and IT infrastructure solutions	9.4	5.0	4.5
TOTAL			94.5	49.8	

The following table sets out our top five customers for the six months ended 30 September 2014:

Customer	Business nature	Types of products/services supplied/provided by us	Revenue from the customer *(HK$'million)*	Percentage of our Group's total revenue *(%)*	Year(s) of relationship with our Group as at 30 September 2014 *(approximately)*
Customer A	Retail bank	Secondment services	16.5	18.6	8.9
Customer E	Retail bank	Secondment services and IT infrastructure solutions	15.6	17.6	8.5
Customer C	Multinational technology and consulting corporation	Maintenance and support services and IT infrastructure solutions	7.2	8.1	17.8
Customer B	Global IT outsourcing company	IT infrastructure solutions	6.1	6.9	6.5
Customer H	Design, marketing and distribution of premium lifestyle products	IT infrastructure solutions	3.5	4.0	2.6
TOTAL			48.9	55.2	

During the Track Record Period, the revenue from our five largest customers accounted for approximately 53.4%, 53.8% and 49.8% of our total revenue for each of the three years ended 31 March 2012, 2013 and 2014 respectively. Meanwhile, the revenue from the largest customer accounted for approximately 17.5%, 16.2% and 14.5% of our total revenue for the corresponding periods respectively. For the six months ended 30 September 2014, the revenue from our five largest customers accounted for approximately 55.2% of our revenue and the revenue from the largest customer accounted for approximately 18.6% of our revenue. Our Directors believe that our Group is not threatened by concentration risk in relation to the largest customer.

Relationship with Customer C (or Supplier B)

Customer C is a company incorporated in Hong Kong; it is a group company of an international technology and consulting corporation based in the US. Customer C is a provider of IT services and business solutions in Hong Kong which include, among other things, hardware, software and business services. Its customers include government bodies and different kinds of enterprises in major industries such as financial services, retail and communication. Being one of our largest customers, Customer C, acting as the main contractor of IT application and solution development projects and maintenance and support projects, subcontracted work to our Group. Customer C is also one of our major suppliers (known as Supplier B) with which we have entered into a business partner agreement and purchased from them products for our provision of IT application and solution development (other than work subcontracted by Customer C) and IT infrastructure solutions. The revenue derived from the provision of IT application and solution development and maintenance and support services to Customer C by way of subcontracted work, accounted for approximately 10.5%, 10.3% and 9.6% of our revenue for each of the three years ended 31 March 2012, 2013 and 2014 and 8.1% of our revenue for the six months ended 30

September 2014 respectively. The cost of products purchased from Supplier B in association with our provision of IT application and solution development and IT infrastructure solutions accounted for approximately 13.4%, 4.0% and 12.5% of our total cost of sales for each of the three years ended 31 March 2012, 2013 and 2014 and 9.6% of our total cost of sales for the six months ended 30 September 2014 respectively.

The profit margin charged on Customer C during the Track Record Period and up to the Latest Practicable Date is comparable to our other customers.

Our Directors confirm that none of the Directors, their respective close associates or, so far as our Directors are aware, any of our existing Shareholders who own more than 5% of the share capital of our Company, have any interest in any of the five largest customers of our Group during the Track Record Period.

Sales and marketing

As at the Latest Practicable Date, our Group's sales and marketing team had six team members in Hong Kong. They are responsible for identifying business opportunities, generating sales leads, building relationship with our customers and building our brand awareness.

Our IT solutions services provided to customers are identified through competitive bidding in open tenders, invitations from main contractors or direct negotiations with our customers by our project teams. The terms of our maintenance and support services are also directly negotiated between our project team and individual customers. As for secondment services, our customers are often introduced by referral or are recurring customers. Accordingly, the aforementioned three types of services offered by our Group are not particularly marketed through any sales and marketing activities. Our sales and marketing team is mainly responsible for the marketing and promotion of our IT infrastructure solutions, being our fourth type of services offered.

No rebates were given to any customers by our Group during the Track Record Period.

We market our brand and services through telephone marketing as well as seminars, talks, and luncheons. These activities allow our Group to demonstrate our Group's capabilities and to build relationship with existing or potential customers.

Credit control

Our customers usually pay by cheque or through bank transfer.

The IT infrastructure solution projects normally range from one week to twelve months, with only a few exceptional projects having a length of over three years. We negotiate payment terms with our customers in order to maintain the liquidity of these exceptional projects. Customers are generally required to place a 50% deposit before our procurement team places orders with suppliers. Depending on the length of the IT infrastructure solutions projects, the remaining balance would be collected either in several milestones or upon completion of projects. All customers of our IT infrastructure solutions are required to settle the remaining balance within their respective credit periods after delivery and/or project completion. In respect of our maintenance and support services, we request for full payment upon entering into service agreement or a regular payment during the service period. In respect of our secondment services, we usually receive regular payment during the service period. On the other hand, credit terms are granted to customers of our IT application and solution development when they make payment to us by payment milestones.

Subject to the credit risk of specific customers and prevailing sales performance, we generally grant credit terms of 30 days to customers. The management and responsible staff conduct regular reviews on customers' payment history, length of relationship and overdue payments (if any), so as to revise the credit terms granted to them. As at 31 March 2012, 31 March 2013, 31 March 2014 and 30 September 2014, no impairment loss was recognised on trade debtors. Our Directors confirmed that during Track Record Period and up to the Latest Practicable Date, there have been no notification and indication of non-payment of our trade debtors or the need to make provisions for our inventories and trade debtors.

All of our trade debtors are denominated in either HK$ or US$. Approximately HK$6.5 million, HK$5.5 million and HK$0.7 million of our general and administrative expenses were in RMB for each of the three years ended 31 March 2012, 2013 and 2014 respectively. As for the six months ended 30 September 2014, approximately HK$0.2 of our general administrative expenses were in RMB.

SUPPLIERS

Our suppliers mainly consist of hardware and software vendors or distributors in Hong Kong. We only source our products from the vendors directly or through their authorised resellers or distributors. Our Group purchases hardware and software to sell along with our solutions and services to our customers. Our suppliers also include service providers engaged by us to assist us in our provision of solutions and services. Other than that, due to the nature of our business, we have no major suppliers for our provision of services.

Other than the business partner agreement with Supplier B (also known as Customer C), we have not entered into any agreements with our suppliers. For details of the business partner agreement, please refer to the section headed "Business partner agreement with Supplier B" below.

We normally place orders on a project basis and in general do not keep any inventory. Given our cost plus pricing policy, we have been able to pass increase in purchase costs to customers. During the Track Record Period, we have not experienced any shortages or delay in supply that has significantly affected our business.

Supplier selection

Due to the nature of the IT industry, each product or service may only be offered by a handful of suppliers, minimising our choice of suppliers. Prospective suppliers are identified by our staff based on internal information and publicly available information found on the Internet and product catalogues. For certain products or services, our staff may obtain more information from suppliers.

We will select suppliers based on their understanding of our requirements, costs, technical capabilities, financial capacity, product capacity, business size and references among others. For IT vendors who may distribute their products through distributors, price lists are received by us on a weekly basis. As the prices offered by distributors generally conform with the prices in the IT vendors' price list, we contact individual distributors to understand their stock levels for the products we require. We will select distributors (who we also considered as our suppliers) based on their available stock, terms of delivery and relationship with us.

Once a supplier has been chosen, we shall execute a contract with the supplier, either in the form of a purchase order or a contract covering the statement of work, schedule, service term, roles and responsibilities, pricing and payment, acceptance criteria, warranty, insurance and termination.

Our top five suppliers include international IT vendors and distributors of hardware and software of major IT vendors. In addition to being one of our largest suppliers, Supplier D is also one of our major customers for provision of IT application and solution development.

The following table sets out our top five suppliers for the year ended 31 March 2012:

Supplier	**Background**	**Products/services supplied/provided for**	**Transaction amounts** *(HK$'million)*	**Percentage of cost of sales of our Group** *(%)*	**Year(s) of relationship with our Group as at 31 March 2012** *(approximately)*
Supplier A	Integrated IT service provider	IT infrastructure solutions	32.0	18.6	5.5
Supplier B	Multinational technology and consulting corporation	IT infrastructure solutions	23.1	13.4	5.5
Supplier C	Technology products distributor	IT infrastructure solutions	13.6	7.9	5.7
Supplier D	IT products distributor	IT infrastructure solutions	7.5	4.4	2.6
Supplier E	Technology products distributor	IT infrastructure solutions	5.2	3.0	5.3
Total			81.4	47.3	

The following table sets out our top five suppliers for the year ended 31 March 2013:

Supplier	Background	Products/services supplied/provided for	Transaction amounts (HK$'million)	Percentage of cost of sales of our Group (%)	Year(s) of relationship with our Group as at 31 March 2013 (approximately)
Supplier A	Integrated IT service provider	IT infrastructure solutions	29.5	19.6	6.5
Supplier D	IT products distributor	IT infrastructure solutions	29.0	19.2	3.6
Supplier B	Multinational technology and consulting corporation	IT infrastructure solutions	6.1	4.0	6.5
Supplier C	Technology products distributor	IT infrastructure solutions	7.5	5.0	6.7
Supplier E	Technology products distributor	IT infrastructure solutions	3.5	2.3	6.3
TOTAL			75.6	50.1	

The following table sets out our top five suppliers for the year ended 31 March 2014:

Supplier	Background	Products/services supplied/provided for	Transaction amounts (HK$'million)	Percentage of cost of sales of our Group (%)	Year(s) of relationship with our Group as at 31 March 2014 (approximately)
Supplier D	IT products distributor	IT infrastructure solutions	30.4	20.1	4.6
Supplier A	Integrated IT service provider	IT infrastructure solutions	29.5	19.5	7.5
Supplier B	Multinational technology and consulting corporation	IT infrastructure solutions	18.8	12.5	7.5
Supplier E	Technology products distributor	IT infrastructure solutions	3.3	2.2	7.3
Supplier C	Technology products distributor	IT infrastructure solutions	2.7	1.8	7.7
TOTAL			84.7	56.1	

The following table set out our top five suppliers for the six months ended 30 September 2014:

Supplier	Background	Products/services supplied/provided for	Transaction amounts *(HK$'million)*	Percentage of cost of sales of our Group *(%)*	Year(s) of relationship with our Group as at 30 September 2014 *(approximately)*
Supplier D	IT products distributor	IT infrastructure solutions	15.0	22.0	5.1
Supplier A	Integrated IT service provider	IT infrastructure solutions	12.7	18.6	8.0
Supplier B	Multinational technology and consulting corporation	IT infrastructure solutions	6.5	9.6	8.0
Supplier F	Technology products distributor	IT infrastructure solutions	1.6	2.4	8.0
Supplier C	Technology products distributor	IT infrastructure solutions	0.9	1.4	8.2
TOTAL			36.7	54.0	

During the Track Record Period, total purchases made from our top five suppliers accounted for approximately 47.3%, 50.1% and 56.1% of our total cost of sales for each of the three years ended 31 March 2012, 2013 and 2014, respectively, and the purchases from our largest supplier accounted for approximately 18.6%, 19.6% and 20.1% of our total cost of sales for each of the three years ended 31 March 2012, 2013 and 2014 respectively. As for the six months ended 30 September 2014, total purchases made from our top five suppliers accounted for approximately 54.0% of our cost of sales, while the purchases from our largest supplier accounted for approximately 22.0% of our total cost of sales.

All of our top five suppliers are Independent Third Parties. None of our Directors, their close associates, or any of our current Shareholders who, to the best knowledge of our Directors, own more than 5% of the share capital of our Company, has an interest in any of our top five suppliers during the Track Record Period.

Business partner agreement with Supplier B

Our Group has been Supplier B's partner in Hong Kong for acquiring products from Supplier B or its distributors since 2005. Supplier B is also Customer C of our Group, please refer to the paragraph headed "Relationship with Customer C (or Supplier B)" under the section headed "Business" in this prospectus.

As at the Latest Practicable Date, our Group has entered into a legally binding business partner agreement with Supplier B, details of which are summarised below:

(a)	Product	(i) Hardware (ii) Software (iii) Services
(b)	Minimum annual attainment	USD 1,000,000
(c)	Pricing	The pricing of products will be adjusted by Supplier B from time to time. If prices are decreased and the products date of installation or service start date has not occurred, we may be eligible for credit. Supplier B may increase prices of products by giving three months' written notice.
(d)	Geographical coverage	Hong Kong
(e)	Term	14 September 2013 to 13 September 2014 and automatically renewed until 13 September 2016.
(f)	Termination	Either party may terminate the agreement on three months' written notice to the other. If either party fails to comply with a material term of the Agreement, the other party may terminate the agreement by written notice to the non-compliance party.
(g)	Return policy	If Supplier B or its subcontractor or the reseller is unable to repair the machine to make it function as warranted or replace it with one that is at least functionally equivalent, we may return the machine to its place of purchase and have the money refunded.
(h)	Product warranty	Supplier B warrants that each machine is free from defects in materials and workmanship and conforms to its specifications. Supplier B provides repair and exchange service for each machine according to the warranty period specified in the "warranty information" that ships together with the machine.

If the above minimum annual purchase attainment cannot be achieved by our Group, our Group may have to refund the amount equal to the discount (or fee, if applicable) Supplier B has given to us for the products or services or Supplier B is entitled to offset any amounts due to us.

Our Group first entered into a business partner agreement with Supplier B in 2005. Under the business partner agreement in force as at the Latest Practicable Date, the minimum annual attainment was US$1,000,000. Our Directors confirm that our Group was able to honour the minimum annual attainment clause under the business partner agreements during the Track Record Period and up to Latest Practicable Date and despite the deteriorating financial performance, our Directors consider that our Group will be able to honour the minimum annual attainment clause under the business partner agreement in the foreseeable future.

Incentive program

Some of our suppliers have implemented incentive programmes to reward their business partners, including us, upon achievement of certain purchase targets on certain models and types of products. These programmes vary from time to time based on the then market conditions and their sale and marketing strategies in order to encourage more purchases from business partners.

INVENTORY MANAGEMENT

Due to the large variety of hardware and software that we purchase and the rapidly changing technology, we generally do not keep any inventory and only place orders with suppliers upon confirmation of orders from customers on a back-to-back basis. This gives us flexibility to negotiate the price with our suppliers each time and allows us to keep updates on then IT development needs and latest technology trends through frequent communication with our customers and suppliers.

Normally, delivery of our orders takes place within 30 days after the supplier's confirmation of our purchase orders. Hardware and software purchased are usually delivered to our end-users directly by our suppliers. For items that are purchased and not delivered to the end-users directly, we engage a third party to provide temporarily storage.

QUALITY CONTROL

Quality control and assurance

Our quality control and assurance team members are drawn from our pool of project managers and are led by Mr. Lee and Mr. Yong. Each project we undertake is further overseen by a project steering committee that is responsible for overall quality assurance.

We have in place a QMS which sets out processes along with guidelines as to how these processes are to be applied to our solutions and services so as to ensure consistency and quality work. Our QMS includes guidelines for documenting work performed and reviewed by various team members in different stages of a project or service.

There are two types of QMS guidelines: (i) mandatory, which are required to be applied to every project and/or service; (ii) reference, which may be applied if appropriate. Through customisation, the quality control and assurance team will decide which QMS procedures and guidelines are applicable for the project and/or service at hand. If mandatory guidelines are not included, the quality control and assurance team will need to produce an exemption report for the approval of the project director prior to the commencement of a project and/or service. We call the documents required under the QMS, the QM trails. Depending on the size, complexity and requirements of a project and/or service various QMS guidelines will be adopted, producing different QM trails for each project and/or service.

For our IT solution projects, once a project has been commenced, our project managers will closely monitor the progress of the project in all respects to ensure that it meets our customers' requirements and is completed in accordance with the time scheduled. Project manager communicates regularly with our project directors to report the schedule and work done of the project. Our project team also holds regular project meetings with our customers to assess and review the progress of the projects and services and to identify and resolve any problems or issues which may arise during the course of carrying out our work.

AWARDS AND RECOGNITIONS

We have received various awards and recognitions for our projects and/or services from various customers, suppliers and business partners which, in our Directors' opinion, are recognitions of our achievements and quality works. These include:

Granted by	Name of award/Recognition	Year awarded
IBM China/Hong Kong Limited	— Partner of the year — Top contributor award–power systems–solution provider	2014
IBM China/Hong Kong Limited	Top contributor award software value partner	2013
Microsoft Partner Network	— Gold messaging — Gold devices and development — Gold server platform — Gold application lifecycle management	2012–2013
Microsoft Partner Network	— Gold messaging — Gold data platform — Gold virtualization — Gold desktop — Gold application lifecycle management — Gold communications	2012
IBM China/Hong Kong Limited	Platinum value partner	2011

Granted by	Name of award/Recognition	Year awarded
Microsoft Partner Network	— Gold desktop — Gold data platform — Gold virtualization — Gold unified communications — Silver midmarket solution provider — Silver virtualization — Silver desktop	2011
Microsoft	Gold certified partner	2010–2011
E-Business Technology Institute, the University of Hong Kong	Certificate of appreciation for participation in the project-service platform for PRD waterway logistics operators	2009–2011
K2	Strategic business partner	2010
Microsoft Support	Authorised partner	2010
IBM China/Hong Kong Limited	Platinum value partner	2010
Microsoft	Certified partner-recognizing technological excellence and impact on customers through Microsoft products and services	2009–2010
Sophos	Platinum partner	2009–2010
Sophos	Gold partner	2009–2010
E-Business Technology Institute, the University of Hong Kong	Certificate of appreciation for participation in the project-RFID enabling platform technology for the integrated Shenzhen-Hong Kong food safety & supply chain management public information platform	2008–2010
Lenovo (Hong Kong) Limited	Gold value partner	2009
IBM China/Hong Kong Limited	Partner of the IBM BlueVantage Partner Program	2009
IBM China/Hong Kong Limited	Platinum value partner	2008
E-Business Technology Institute, the University of Hong Kong	Certificate of appreciation for participation in the project-RFID enabling technologies for retail & logistics industry	2007–2008

Granted by	Name of award/Recognition	Year awarded
EMC	Pinnacle of excellence awarded to Q3 BURA Champion	2007
Business Objects	Gold partner	2007
VMware	Enterprise partner	2007
CIITA RFID China Alliance	Membership certificate	2006–2007
IBM	Rookie of the year	2006
E-Business Technology Institute, the University of Hong Kong	Certificate of appreciation for participation in the project-RFID enablement middleware for enterprise applications	2005–2006
Bearing Point (Asia Pacific) Limited	Letter of appreciation in respect of the deployment of an enterprise scale integration project for a major Hong Kong financial institution	2005

MARKET AND COMPETITION

The IT services and solutions industry in Hong Kong is highly competitive and fragmented with presence of both local and foreign service providers. There were about 12,035 service providers in Hong Kong in 2013. The majority of these providers are engaged in IT integration solution services with about 80% of them being enterprises with less than 20 employees. Service providers mainly compete on brand name, reputation, customer relationship and service scope in the market.

According to the Ipsos Report, the top five service providers only accounted for about 5.0% of the total market revenue in 2013. We have been in the industry for over 20 years and we were the fourth largest IT service and solution provider in Hong Kong, representing a market share of 0.4% in terms of revenue in 2013.

According to Ipsos, partnership with renowned hardware/software manufacturers and lack of skilled talents set barriers for new entrants into the IT service and solution industry in Hong Kong.

For large scale IT application and solution development projects, our Directors believe that the entry barriers are relatively high as they generally require sophisticated technical know-how and extensive development experience. On the other hand, the entry barrier of secondment service is low. However, given that our Group has a good understanding of our customers' business, products and industries, our seconded staff have an edge, being equipped with the specific skill-sets and technical support in order to meet our customers' needs.

For further details on the market and competition of the IT service and solution industry in Hong Kong, please refer to the section headed "Industry overview" in this prospectus.

LEGAL COMPLIANCE

As advised by our HK Legal Advisers, we have obtained the relevant approvals, permits, licences and certificates for conducting our businesses in Hong Kong and that, save as disclosed below, have complied with all the applicable Hong Kong laws, rules and regulations during the Track Record Period and up to the Latest Practicable Date. As advised by our PRC Legal Advisers, save as disclosed below, we have obtained the relevant approvals, permits, licences and certificates for conducting our businesses in the PRC and our PRC Legal Advisers are not aware of any violation of the applicable PRC laws, rules and regulations by our Group during the Track Record Period and up to the Latest Practicable Date.

Non-compliance with the Predecessor Companies Ordinance and the Companies Ordinance

Name of our subsidiaries	Non-compliance incidents	Cause of non-compliance	Remedial actions	Legal consequences and maximum potential penalty	Director/senior management responsible for the non-compliance incident
ICO Holdings	Non-compliance with section 122 of the Predecessor Companies Ordinance. Failure to lay the annual audited accounts before its shareholders at its annual general meeting for the financial year ended 31 March 2002, 31 March 2003, 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009, 31 March 2010, 31 March 2011 and 31 March 2012 (the "Holdings Non-Compliance Period")	The omissions were unintentional and due to inadvertence on the part of the secretarial service provider of ICO Holdings.	On 18 July 2013, the existing shareholders of ICO Holdings applied to the High Court of Hong Kong under Miscellaneous Proceedings no. 1751 of 2013 for an order to adopt the audited accounts for the Holdings Non-Compliance Period out of time. ICO Holdings obtained a sealed copy order on 5 August 2013 that the date to lay the audited accounts in the Holdings Non-Compliance Period be extended to the following dates: (a) Account for the financial year ended 31 March 2002 from 31 December 2002 to 31 December 2003; (b) Account for the financial year ended 31 March 2003 from 31 December 2003 to 31 December 2004; (c) Account for the financial year ended 31 March 2005 from 31 December 2005 to 31 December 2006; (d) Account for the financial year ended 31 March 2006 from 31 December 2006 to 31 December 2007; (e) Account for the financial year ended 31 March 2007 from 31 December 2007 to 31 December 2008; (f) Account for the financial year ended 31 March 2008 from 31 December 2008 to 31 December 2009; (g) Account for the financial year ended 31 March 2009 from 31 December 2009 to 8 April 2010; (h) Account for the financial year ended 31 March 2010 from 31 December 2010 to 17 May 2011; (i) Account for the financial year ended 31 March 2011 from 31 December 2011 to 22 March 2012; (j) Account for the financial year ended 31 March 2012 from 31 December 2012 to 20 March 2013.	For breach of section 122 of the Predecessor Companies Ordinance, the directors of ICO Holdings shall be liable to a maximum fine of HK$300,000 and 12 months of imprisonment upon convection. As advised by our HK Legal Advisers, the non-compliances of section 122 of the Predecessor Companies Ordinance by ICO Holdings were effectively and satisfactorily ratified and remedied. Accordingly, the potential liabilities to ICO Holdings and its directors were properly discharged.	Mr. Yong, our executive Director

Name of our subsidiaries	Non-compliance incidents	Cause of non-compliance	Remedial actions	Legal consequences and maximum potential penalty	Director/senior management responsible for the non-compliance incident
ICO Technology	Non-compliance with section 122 and section 131 of the Predecessor Companies Ordinance. Failure to lay the annual audited accounts before its shareholders at its annual general meeting for the financial year ended 31 December 1996, 31 March 1997, 31 March 1998, 31 March 1999 and 31 March 2005 (the "ICOT Non-Compliance Period") and (ii) failure to appoint an auditor to hold office from the conclusion of the annual meeting for the year 1997 until the conclusion of the next annual general meeting.	The omissions were unintentional and due to inadvertence on the part of the secretarial service provider of ICO Technology.	On 18 July 2013, the existing shareholders of ICO Technology has applied to the High Court of Hong Kong under Miscellaneous Proceedings no. 1752 of 2013 for an order to adopt the audited accounts for the ICOT Non-Compliance Period out of time. ICO Technology obtained a sealed copy order on 5 August 2013 that the date to lay the audited accounts in the ICOT Non-Compliance Period be extended to the following dates: (a) Account for the financial year ended 31 December 1996 from 30 December 1997 to 26 September 1998; (b) Account for the financial year ended 31 March 1997 from 31 December 1997 to 26 September 2000; (c) Account for the financial year ended 31 March 1998 from 31 December 1998 to 26 September 2000; (d) Account for the financial year ended 31 March 1999 from 31 December 1999 to 26 September 2000; (e) Account for the financial year ended 31 March 2005 from 31 December 2005 to 31 November 2006.	Same as above As advised by our HK Legal Advisers, the non-compliance of section 122 and section 131 of the Predecessor Companies Ordinance by ICO Technology were effectively and satisfactorily ratified and remedied. Accordingly, the potential liabilities to ICO Technology and its directors were properly discharged.	Mr. Lee, our executive Director

Name of our subsidiaries	Non-compliance incidents	Cause of non-compliance	Remedial actions	Legal consequences and maximum potential penalty	Director/senior management responsible for the non-compliance incident
The Company	Non-compliance with section 791(2)(b) of the Companies Ordinance. Late filing in relation to the appointment of the Directors in 2014	The omission was unintentional and due to inadvertence. During the material times, our Company has retained company secretarial service providers to assist with on-going compliance obligations and the Directors of our Company at the material time have entrusted and relied on them on the compliance issues.	Filing was made on 29 July 2014.	Maximum fine of HK$25,000 and a daily default fine of HK$700 for continued default. The aggregate maximum penalty for the aforesaid late filing is estimated to be approximately HK$130,700. As at the Latest Practicable Date, there had not been any prosecution initiated against our Company, nor had it been subject to any fine relating to the above disclosed late filing. However, there is no assurance that the Companies Registry will not take action against our Company in the future in respect of this non-compliance which has not been time-barred. Our HK Legal Advisers are of the view that the non-compliance for this paragraph is minor in nature, and based on their experience, the Companies Registry does not, in all cases, prosecute late filings of a company and therefore unable to ascertain the range of fines normally imposed on such breach as prosecutions for breaches of such section are rare. In the event of prosecution, the possible penalty is monetary in nature and our Group is indemnified by our Controlling Shareholders pursuant to the Deed of Indemnity.	Mr. Yong, our executive Director, and Mr. Leung Kei Pui, our company secretary.

In order to prevent recurrence of non-compliances of the Companies Ordinance in the future, our Group will adopt the following measures:

(i) We will appoint the company secretary to take charge of the compliance matters with the Companies Ordinance for all Hong Kong companies within our Group in the future;

(ii) The company secretary will prepare a memorandum to remind all the responsible staff that every private company in Hong Kong within our Group should lay the annual audited accounts before its shareholders at its annual general meeting, unless such company is falling within the reporting exemption under the Companies Ordinance; and

(iii) Audit Committee will be informed the past non-compliance incidents regarding the Companies Ordinance and to follow up implementation of internal control measures after the Listing.

Potential failure to file tax returns for individuals who are not employees

Name of our subsidiaries	Non-compliance incidents	Cause of non-compliance	Remedial actions	Legal consequences and maximum penalty	Director/senior management responsible for the non-compliance incident
ICO HK	Failure to make employer's return IR56M and IR6036B in respect of payments to the following individuals other than an employee: (a) For year of assessment 2011/2012: (i) OTOTO for HK$450,000 subcontract sum paid by ICO HK to OTOTO for services rendered by OTOTO for ICO HK under a subcontract relating to a project undertook by ICO HK; (ii) Chang Kwok Kee for HK$67,200 subcontract sum paid by ICO HK to Chang Kwok Kee for services rendered by him to ICO HK under a subcontract relating to a profit undertook by ICO HK; and (iii) Ngai Man Lung trading as Martin NGAI Co. for HK$472,130 service fee paid by ICO HK to Martin NGAI Co. for services rendered by him to ICO HK relating to a profit undertook by ICO HK. (b) For year of assessment 2009/2010: (i) OTOTO for HK$672,750 subcontract sum paid by ICO HK to OTOTO for services rendered by OTOTO for ICO HK under a subcontract relating to a project undertook by ICO HK.	ICO HK considered the individuals to be independent contractors rendering services to ICO HK in various projects undertaken by ICO HK and the independent third party advisor appointed by ICO HK during the relevant periods did not advise ICO HK on the requirement for filing of the employer's return IR56M and IR6036B, therefore ICO HK was under the opinion that there was no obligation to file any return for the subcontract and service payments to them. Moreover, ICO HK did not receive any notice from an assessor of the IRD requesting the furnishing of an employer's return IR56M and IR6036B.	On 12 August 2013, ICO HK wrote to the IRD that they identified certain payments that might require an employer's return to be filed with the IRD, and submitted the relevant employer's returns IR56M and IR6036B together with the explanation and submission on the reason of the non-filing of the returns during their relevant years of assessment. On 31 October 2013, the IRD wrote to ICO HK confirming that the Commissioner of Inland Revenue does not intend to take any action under the Inland Revenue Ordinance against ICO HK.	Pursuant to section 80(1)(c) of the Inland Revenue Ordinance, any person who without reasonable excuse fails to comply with the requirements of sections 52(4), (6) or (7) commits an offence and is liable to conviction to a maximum fine of HK$10,000 and the court may order the person convicted within a time specified in the order to do the act which he has failed to do. Pursuant to section 80(2)(a) of the Inland Revenue Ordinance, any person who without reasonable excuse makes an incorrect return by omitting or understating anything in respect of which he is required by the Inland Revenue Ordinance to make a return, either on his behalf or on behalf of another person, commits an offence and is liable o conviction to a maximum fine of HK$10,000 and a further fine of treble the amount of tax which has been undercharged in consequence of such incorrect return, statement or information, or would have been so undercharged if the return, statement or information had been accepted as correct.	Mr. Yong, our executive Director and Mr. Leung Kei Pui, our company secretary

The above table represented all transactions enrolling subcontract service payments during the Track Record Period. In order to prevent recurrence of tax non-compliances in Hong Kong in the future, our Group will adopt the following measures:

(i) We will appoint Mr. Yong or the administration manager to assume the overall and general compliance duty in respect of consultancy fee payable to external consultants. In particular, he will keep full record of the consultancy agreements and be responsible for tax filing for individual consultants for each financial year;

(ii) We will set up a control system within our administration/human resources department to record and report to the IRD for consultancy fees with annual amount over HK$25,000 paid to individual consultants in accordance with the guideline on the form of IR6036C for completion of IR56M. Every month, the administration/human resources department will prepare a summary of cumulative consultancy fees paid, and submit to Mr. Yong or the administration manager for review. In April every year, the administration/human resources department will prepare a summary of total consultancy fees paid, draft IR56M and IR6036B forms and submit to Mr. Yong or the administration manager for his review and approval;

(iii) We will inform the Audit Committee of the past tax non-compliance incidents and the Audit Committee, together with the company secretary, will follow up the tax filing matters and internal control procedures after the Listing;

(iv) We will arrange professional training to the Directors, executives and responsible staff in the administration/human resources department for the requirements of Inland Revenue Ordinance; and

(v) Our Group will seek professional advices from tax consultant on various compliance matters.

The failure to make employer's return was mainly because of Mr. Yong's reliance on the advise provided by the independent third party. Mr. Yong is now fully aware of the duty to file the relevant employer's return in respect of subcontractors and he will continue to keep himself abreast of the Inland Revenue Ordinance. Further, we will engage a tax consultant to advice on our tax compliance. Based on these, our Directors are of the view that the appointment of Mr. Yong or the administration manager to assume the compliance duty would be an effective internal control measure in respect of consultancy fee payable to external consultants.

Non-registration of lease in the PRC

During the Track Record Period and up to the Latest Practicable Date, the following leases of Tian Li Shi and Shenzhen Kai Gang were not registered with the relevant property leasing administration authority:

	Tenants	Location	Particulars of occupancy	Duration of the lease	Monthly rental fee	Size
Lease Agreement 1	Tian Li Shi	Flat A401–402, Block A, Shenzhen Academy of Aerospace Technology No. 6 Ke Ji Nan Shi Road, Hi-Tech Park, Nanshan District, Shenzhen	Office purposes	1 July 2011 to 30 June 2012	RMB29,336	336.70 square meters
Lease Agreement 2	Tian Li Shi	Flat A401–402, Block A, Shenzhen Academy of Aerospace Technology No. 6 Ke Ji Nan Shi Road, Hi-Tech Park, Nanshan District, Shenzhen	Office purposes	1 July 2012 to 30 June 2013	RMB31,170	336.70 square meters
Lease Agreement 3	Tian Li Shi	Flat A401–402, Block A, Shenzhen Academy of Aerospace Technology No. 6 Ke Ji Nan Shi Road, Hi-Tech Park, Nanshan District, Shenzhen	Office purposes	1 July 2013 to 30 June 2014	RMB33,003	336.70 square meters
Lease Agreement 4	Tian Li Shi	Flat A401–402, Block A, Shenzhen Academy of Aerospace Technology No. 6 Ke Ji Nan Shi Road, Hi-Tech Park, Nanshan District, Shenzhen (the "Current Premises")	Office purposes	1 July 2014 to 30 June 2015	RMB33,003	336.70 square meters
Lease Agreement 5	Shenzhen Kai Gang	Flat A401, 4/F, Block A, Shenzhen Academy of Aerospace Technology No. 6 Ke Ji Nan Shi Road, Hi-Tech Park, Nanshan District, Shenzhen	Office purposes	26 June 2009 to 25 June 2011	RMB4,440	60.00 square meters
Lease Agreement 6	Shenzhen Kai Gang	Flat D710–711, 7/F, Block D, Shenzhen Academy of Aerospace Technology No. 6 Ke Ji Nan Shi Road, Hi-Tech Park, Nanshan District, Shenzhen	Office purposes	21 June 2011 to 30 June 2012	RMB33,079	413.49 square meters
Lease Agreement 7	Shenzhen Kai Gang	Flat D710–711, 7/F, Block D, Shenzhen Academy of Aerospace Technology No. 6 Ke Ji Nan Shi Road, Hi-Tech Park, Nanshan District, Shenzhen	Office purposes	1 July 2012 to 30 June 2013	RMB35,147	413.49 square meters

A summary of the non-compliance incidents relating to the non-registration of the leases is set out below:

Name of the subsidiary	Non-compliance incidents	Cause of non-compliance	Remedial actions	Legal consequences and maximum potential penalty	Director/senior management responsible for the non-compliance incident
Tian Li Shi	Certain leases of Tian Li Shi were not registered with the relevant property leasing administration authority.	Landlord's failure to co-operate with us to register the leases with the relevant property leasing administration authority.	Regarding Lease Agreement 4, our Directors will continue to liaise with the landlord to arrange for registration. However, should the landlord continue to refuse to register the lease, we will look for another suitable office space for Tian Li Shi. If we identify a suitable location, we will re-locate Tian Li Shi to the new premises upon the expiry of Lease Agreement 4 on 30 June 2015. Lease Agreement 1, 2 and 3 had already expired as at the Latest Practicable Date. On 21 October 2013, our PRC Legal Advisers made an enquiry with the Nanshan District Housing Rental General Management Office (南山區出租屋綜合管理辦公室) (the "Office") and the Office confirmed that if the lease in question had expired, they would not take any action against the landlord/tenant in relation to the non-registration of such lease.	Pursuant to the Housing Lease Regulation of Shenzhen Special Economic Zone (深圳經濟特區房屋租賃條例), the parties who establish or alter any lease relationship are required to register or file the lease agreements with the district authorities within 10 days after entering into the lease agreements. If the non-registration of the lease agreement is due to the tenant's default, such tenant will be subject to a fine equivalent to 10% of the total rents agreed under the lease agreement. As advised by our PRC Legal Advisers, the validity of a lease agreement will not be affected due to the failure to register the lease agreement and the possible fines that may be imposed on us for the non-registration of Lease Agreement 1, 2, 3 and 4 are RMB35,203.20, RMB37,403.40, RMB39,603.60 and RMB39,603.60 respectively.	Mr. Lee, our executive Director

Name of the subsidiary	Non-compliance incidents	Cause of non-compliance	Remedial actions	Legal consequences and maximum potential penalty	Director/senior management responsible for the non-compliance incident
Shenzhen Kai Gang	Certain leases of Shenzhen Kai Gang were not registered with the relevant property leasing administration authority.	Landlord's failure to co-operate with us to register the leases with the relevant property leasing administration authority.	Lease Agreement 5, 6 and 7 had already expired as at the Latest Practicable Date. On 21 October 2013, our PRC Legal Advisers made an enquiry with the Office and the Office confirmed that if the lease in question had expired, they would not take any action against the landlord/tenant in relation to the non-registration of such lease.	Pursuant to the Housing Lease Regulation of Shenzhen Special Economic Zone (深圳經濟特區房屋租賃條例), the parties who establish or alter any lease relationship are required to register or file the lease agreements with the district authorities within 10 days after entering into the lease agreements. If the non-registration of the lease agreement is due to the tenant's default, such tenant will be subject to a fine equivalent to 10% of the total rents agreed under the lease agreement. As advised by our PRC Legal Advisers, the validity of a lease agreement will not be affected due to the failure to register the lease agreement and the possible fines that may be imposed on us for the non-registration of Lease Agreement 5, 6 and 7 are RMB10,656, RMB39,695.04 and RMB42,174.78 respectively.	Mr. Lee, our executive Director

As advised by our Directors, as at the Latest Practicable Date, our Group has not received any notice demanding payment of the penalties as a result of the non-registration of the above lease agreements.

Given that (i) as of the Latest Practicable Date, no government authority or third party has imposed any penalty or made any claim against us with respect of the non-registration of the leases; (ii) the fact that the leases have not been registered does not have any adverse impact on the safety conditions of the Current Premises or the validity of the leases; and (iii) Tian Li Shi has no current business operation as at the Latest Practicable Date, our Group decided to renew the lease for the Current Premises for another year at the same rent and entered into by way of Lease Agreement 4 with the relevant landlord. Our Directors will continue to liaise with the landlord and persuade the landlord to arrange for registration of Lease Agreement 4.

Given that the Current Premises is used by Tian Li Shi as office space and the total gross floor area is about 336.7 square metres only, our Directors consider that we are capable of relocating Tian Li Shi to other suitable location without any material difficulties. We consider that the whole relocation process, including identifying a new office space, entering into the relevant tenancy agreement, carrying out renovation work, removal from the Current Premises, and moving into the new location, shall take less than three months. Our Directors expect that the costs in relation to such relocation will not be substantial having regard to the size of the Current Premises.

Taking into account that (i) Tian Li Shi has no current business operation as at the Latest Practicable Date and thus the relocation will not lead to any interruptions to our operation, and (ii) the costs in relation to such relocation will not be substantial having regard to the size of the Current Premises, our Directors consider that such relocation will not have any material operational or financial impact on our Group.

Given that (i) our PRC Legal Advisers have confirmed with the relevant authority that no action will be taken against us as such leases had already expired; and (ii) Shenzhen Kai Gang was disposed of by our Group to an Independent Third Party on 1 April 2013 and ceased to be a member of our Group, our Directors believe that the non-registration of the expired leases will not have any material adverse impact on our Group.

Non-compliance with the tax law and regulations of the PRC

Tian Li Shi and Shenzhen Kai Gang have failed to apply for tax registration and pay for certain tax within the time limit prescribed by the Law of the PRC Concerning the Administration of Tax Collection (中華人民共和國稅收徵收管理法) (the "**Tax Collection Law**") during the Track Record Period. We set out below a summary of the non-compliance incidents:

Name of our subsidiaries	Non-compliance incidents	Cause of the non-compliance	Remedial actions	Legal consequences and maximum potential penalty	Director/senior management responsible for the non-compliance incidents
Tian Li Shi	Tian Li Shi has failed to apply for tax registration for a shortfall of RMB98,507.96 for the period from April 2011 to March 2012 and pay such tax within the time limit prescribed by the Tax Collection Law.	The occurrence of the non-compliance was primarily due to the oversight of the director of Tian Li Shi and was not discovered until when the Company's reporting accountants and legal advisers as to PRC laws were engaged in preparation for the Listing. During the material times, Tian Li Shi has retained company secretarial service providers to assist with on-going compliance obligations and the directors of Tian Li Shi at the material time have entrusted and relied on them on the compliance issues.	Tian Li Shi filed the tax registration with the local tax bureau in September and November 2013. On 26 September 2013, Tian Li Shi was ordered by the Shenzhen Luohu Local Taxation Bureau (深圳市羅湖區地方稅務局) to pay (i) a fine of RMB945 due to its failure to apply for tax registration; and (ii) a surcharge of 29,165.28 for the period from April 2011 to March 2012. On 25 November 2013, Tian Li Shi was ordered by the Shenzhen Nanshan Local Taxation Bureau (深圳市南山區地方稅務局) to pay a surcharge of RMB2,659.82 for the period from April 2011 to March 2012. As advised by our PRC Legal Advisers, Tian Li Shi has paid up the required fine and surcharge in September and November 2013. Such non-compliance incidents will not result in other civil, criminal and administrative liabilities on the part of our Group.	Pursuant to the Tax Collection Law, where the taxpayer fails to apply for tax registration or for change or cancellation of tax registration within the prescribed time limit, he shall be ordered by the tax authorities to rectify within a time limit and may be fined not more than RMB2,000; if the circumstances are serious, he may be fined not less than RMB2,000 but not more than RMB10,000. Further, where a taxpayer fails to pay tax or a withholding agent fails to remit tax within the specified time limit, the tax authorities shall, in addition to ordering the taxpayer or withholding agent to pay or remit the tax within a fixed period of time, impose a surcharge on a daily basis at the rate of 0.05% of the amount of tax in arrears, from the date the tax payment is defaulted.	Mr. Lee, our executive Director

Name of our subsidiaries	Non-compliance incidents	Cause of the non-compliance	Remedial actions	Legal consequences and maximum potential penalty	Director/senior management responsible for the non-compliance incidents
Shenzhen Kai Gang	Failure to apply for tax registration for a shortfall of RMB114,757.6 for the period from April 2011 to March 2012 and pay such tax within the time limit prescribed by the Tax Collection Law.	The occurrence of the non-compliance was primarily due to the oversight of the director of Shenzhen Kai Gang was not discovered until when the Company's reporting accountants and legal advisers as to PRC laws were engaged in preparation for the Listing. During the material times, Shenzhen Kai Gang has retained company secretarial service providers to assist with on-going compliance obligations and the directors of Shenzhen Kai Gang at the material time have entrusted and relied on them on the compliance issues.	Shenzhen Kei Gang filed the tax registration with the local tax bureau in September 2013. On 26 September 2013, Shenzhen Kai Gang was ordered by the Shenzhen Luohu Local Taxation Bureau (深圳市羅湖區地方稅務局) to pay (i) a fine of RMB945 due to its failure to apply for tax registration; and (ii) a surcharge of 37,039.49 for the period from April 2011 to March 2012. As advised by our PRC Legal Advisers, Shenzhen Kai Gang has paid up the required fine and surcharge in September 2013. Such non-compliance incidents will not result in other civil, criminal and administrative liabilities on the part of our Group.	Same as above	Mr. Lee, our executive Director

As Shenzhen Kai Gang was disposed of by our Group to an Independent Third Party on 1 April 2013 and ceased to be a member of our Group, PRC legal advisers are of the view that its failure to comply with the tax law and regulations of the PRC will not have any material adverse impact on our Group.

In order to prevent recurrence of tax non-compliances in the PRC in the future, our Group will adopt the following measures:

(i) We will assign a staff from the accounting department to deal with the PRC tax consulting firm for tax compliance, renewal of tax registration and tax filing every year; and

(ii) We will maintain a compliance checklist with all tax registration renewal and filing deadlines of all the PRC subsidiaries of our Group and make sure all the dates are properly complied. This responsible staff from the accounting department will report to the company secretary, who undertakes the general compliance duty and tax compliance matters, on a monthly basis for any deviation from the checklist. the company secretary will report to the Directors should any issue arisen.

The Controlling Shareholders have executed the Deed of Indemnity, whereby the Controlling Shareholders have agreed to give indemnities to our Group, subject to the terms and conditions of the Deed of Indemnity, in relation to any liabilities which may arise as a result of any non-compliance of our Group with the applicable laws, rules or regulations on or before the date on which the Placing becomes unconditional. For further details, please refer to the paragraph headed "Other information" in Appendix IV of this prospectus.

Measures Designed to Prevent Future Non-Compliance and Improve Corporate Governance

In order to safeguard the interests of the Shareholders and to prevent recurrence of non-compliances in the future, our Group has adopted or will adopt the following measures to strengthen our corporate governance practice:

(i) Our Group appointed an independent internal control consultant (the "Internal Control Consultant"), Lau & Au Yeung C.P.A. Ltd to perform a review on our Group's internal control procedures and policies in April and May 2013 and subsequent review in October 2013. The scope of work of the Internal Control Consultant include discussion with our key management and review on key internal control relating to corporate governance practices, connected transaction and compliance to listing rules and other regulations, internal control measures on treasury management, financial reporting, and operating cycles, namely: revenue and cost cycle, human resource cycle, capital expenditure cycle, intellectual property and information technology. The Internal Control Consultant has been appointed as an internal control consultant by a number of listed companies. The engagement director of the Internal Control Consultant is a fellow member of the Institute of Chartered Accountants in England and Wales (ICAEW), a fellow practicing member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and the Association of Chartered Certified Accountants (ACCA). He is also the Chairman of Council of the Institute of Financial Accountants Hong Kong Branch. The Internal Control Consultant has made certain recommendations including compiling and adopting a comprehensive staff handbook, internal control manual and compliance manual in relation to the internal control practices and procedures of our Group, details of which are set out in the paragraph headed "Internal control" of this section. According to the result of the follow up subsequent review by the Internal Control Consultant in October 2013, our Group had implemented measures and ratified deficiencies as recommended by the Internal Control Consultant. In view of our Group's response to the recommendation and the implementation of the internal control measures in respect to our Group's non-compliance incidents, the Internal Control Consultant considered our Group's enhanced internal control measures are adequate and effective to prevent any future breaches in order to ensure that our Group's business would operate in a law abiding manner;

(ii) Each of our Directors has attended a training session and received a detailed memorandum prepared by the HK Legal Advisers of our Company setting out the responsibilities and duties of Directors and senior management;

(iii) We have appointed Mr. Leung Kei Pui as our company secretary of our Group to advise on and carry out our Group's company secretarial works regarding certain compliance matters including, without limitation, requirements under the GEM Listing Rules, the Companies Ordinance and other applicable legal and regulatory requirements. He will be in charge of the administration of the daily secretarial works of our Group, including keeping company records up-to-date to ensure ongoing compliance. Our company secretary, together with our Company's compliance officer will act as the principal channel of communication between members of our Group and our Company in relation to compliance matters of our Group. Upon receipt of any queries or reports on compliance matters, our company secretary or the compliance officer will look into the matter and, if appropriate, seek advice, guidance and recommendation from external professional advisers and report to the Audit Committee (see (iv) below);

(iv) An Audit Committee which comprises three independent non-executive Directors has been established to review the financial reporting and auditing function, corporate governance and internal control procedures. Please refer to the section headed "Directors, senior management and staff" of this prospectus for details of their experience;

(v) Our Group will prepare tax and the Companies Ordinance checklists to ensure comply with all the law and regulations and such checklists will be reviewed by the company secretary and the compliance officer of our Company;

(vi) Our Group will set up an internal audit department after the Listing, to review and advise on the compliance matters of our Group, including the compliance of tax filing, lease registration in the PRC and the Companies Ordinance. We will conduct annual review on the effectiveness of our internal control system and the findings of such annual review will be submitted to the Audit Committee for consideration;

(vii) We will appoint external professional advisers, including auditors, legal advisers, internal control consultant or other advisers to render professional advice or training as to compliance with the statutory requirements as applicable to our Group from time to time;

(viii) Our Group would seek external legal advice on the relevant PRC laws and regulations to prevent any recurrence of any similar non-compliance events;

(ix) We will also appoint a compliance adviser to provide advice to our Directors and management team on matters relating to the Listing Rules; and

(x) We will provide our Directors, senior management and employees with regular training courses to keep abreast of any development in legal and regulatory requirements applicable to our business operations or relevant to our responsibilities and duties as a publicly listed company.

Our Directors confirm that save as disclosed above, as at the Latest Practicable Date, our Group had complied with all applicable laws and regulations in the jurisdictions in which it operates and had obtained all the necessary permits, certificates and licences for its operation since the commencement of the Track Record Period.

Our Directors are of the view that the aforesaid remedial measures and the enhanced internal control measures are adequate and effective in preventing similar non-compliance incidents from re-occurring in the future. In fact, no other similar non-compliance incidents had occurred up to the Latest Practicable Date.

The Sponsor has considered the internal control system of our Company and the remedial actions taken by our Group are adequate to prevent future recurrence of similar non-compliance incidents. The Sponsor is of the view that (i) our Directors have taken appropriate steps and measures to rectify and avoid the previous non-compliance matters; (ii) such matters would not have any material adverse impact on our Group going forward; and (iii) the additional measures adopted by our Group, including but not limited to forming audit committee and the experience of members of the audit committee and engaging external professional advisers, are effective to ensure our Group's compliance with the relevant rules and regulations.

Having considered that (i) the non-compliance incidents with the Predecessor Companies Ordinance during the Track Record Period were merely inadvertent and were not wilful as the occurrence of such non-compliance incidents were mainly due to the reliance on external company secretarial service providers, which our Directors believed to have relevant qualification and experience for compliance with the relevant laws, rules and regulations; (ii) the non-compliance incidents did not involve any fraudulency or dishonesty on the part of our Directors or impugn on their integrity or competence; (iii) upon noticing the non-compliance incidents, our Directors fulfilled their fiduciary duties and conducted remedial actions to rectify the incidents; (iv) in order to safeguard the interests of the Shareholders and to prevent recurrence of non-compliance incidents in the future, our Directors have implemented adequate internal control measures to strengthen the corporate governance practice as disclosed; (v) each of our Controlling Shareholders has agreed to indemnify in relation to any liabilities which may arise as a result of any non-compliance of our Group with the applicable laws, rules or regulations on or before Listing; and (vi) as advised by the HK Legal Advisers of our Company, the potential liabilities of our Company and our Directors have been properly discharged, the Sponsor is satisfied that our Directors have the standard of competence commensurate with their positions as directors of a listed issuer under the GEM Listing Rules 5.01 and 5.02.

LITIGATION

As of the Latest Practicable Date, no member of our Group was engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance is known to us to be pending or threatened against any member of our Group.

INSURANCE

We maintain office insurance for our Hong Kong office covering loss or damage to office contents and stock as well as business interruption. We maintain employees' compensation insurance for our employees that includes work injury under the regulatory requirements in Hong Kong and individual medical insurance for all of our employees in Hong Kong.

We also maintain social insurance cover for our employees in accordance with the applicable PRC laws and the requirements of the local authorities.

Some projects undertaken by us are protected by contractors' all risks insurance which, depending on the terms of the relevant contracts, are taken out either by the main contractors (in the case of us being a subcontractor) or us.

For each of the three years ended 31 March 2012, 2013 and 2014, our insurance expenses were approximately HK$236,000, HK$302,000 and HK$313,000 respectively. Our insurance expenses was approximately HK$206,000 for the six months ended 30 September 2014.

We consider our insurance policies to be adequate and in line with the industry norms. During the Track Record Period, there has been no material insurance claim by our employees in Hong Kong. We had not made any material claims on insurance or received any material third party liability claim during the Track Record Period and up to the Latest Practicable Date.

WORK SAFETY

Our Directors confirm that there were no material accidents, work injuries claims for personal or property damages, compensation to staff or any relevant non-compliance incidents with the relevant laws and regulations during the Track Record Period and up to the Latest Practicable Date.

RESEARCH AND DEVELOPMENT

We currently do not have a research and development team and we intend to set up such a team to improve our products and services. Please refer to the paragraph headed "Our business strategic" under the section headed "Business" in this prospectus for details.

INTELLECTUAL PROPERTY

The ownership of the intellectual property rights attached to the developed products is normally entitled to the customer.

Trademarks

As at the Latest Practicable Date, our Group had registered several trademarks in Hong Kong. For details, please refer to paragraph headed "Intellectual property rights" in Appendix IV to this prospectus.

Domain name

As at the Latest Practicable Date, we had registered one domain name. Details in relation to the domain name is set out in the paragraph headed "Intellectual property rights" in Appendix IV to this prospectus.

As at the Latest Practicable Date, we were not aware of any infringement (i) by us of any intellectual property rights owned by any third party; or (ii) by any third party of any intellectual property rights owned by us. During the Track Record Period and as at the Latest Practicable Date, there had not been any pending or threatened claims against us, nor had any claims been made by us against third parties, with respect to the infringement of intellectual property rights owned by us or third parties.

LEASED PROPERTY

Our Group leased two properties in Hong Kong and one property in the PRC as office premises from Independent Third Parties. Set out below is a summary of our leased premises as at the Latest Practicable Date:

Tenants	Location	Particulars of occupancy	Duration of lease	Monthly rental fee	Gross size (approximately)
ICO HK	30/F, Siu On Centre, 188 Lockhart Road, Hong Kong	Office purposes	1 April 2013 to 31 March 2015 *(Note)*	HK$130,676	433.6 square metres
ICO HK	Room 102, 1/F, Chung Nam Building, No. 1 Lockhart Road, Wanchai, Hong Kong	Office purposes	1 December 2014 to 30 November 2016	HK$76,350	283.7 square metres
Tian Li Shi	Room A401–402, 4/F, Block A, Shenzhen Academy of Aerospace Technology, No. 6 Ke Ji Nan Shi Road, Hi-Tech Park, Nanshan District, Shenzhen	Office purposes	1 July 2014 to 30 June 2015	RMB33,003	366.7 square metres

Note: A summary of proposed lease dated 15 February 2015 was issued by Siu On Real Estate Agency Limited, proposing to ICO HK to renew the tenancy over the property for a term of two years from 1 April 2015 to 31 March 2017 at a monthly rental fee of HK$163,345.

We were using the above leased premises in accordance with the purposes stated in the respective tenancy agreement. During the Track Record Period and as at the Latest Practicable Date, the lease of Tian Li Shi was not registered with the relevant property leasing administration authority. Please refer to the subsection headed "Legal compliance" under the section "Business" of the prospectus.

BUSINESS OBJECTIVES

Our business objective is to maintain our position as one of the leading total IT solution and services providers that specialises in helping corporate and institutional clients to extract maximum value from their IT engagements. We plan to continue to expand our market share and strengthen the market position of our business in Hong Kong by adopting the following business strategies:

1. Expanding our professional team and enhancing our service quality;

2. Expansion of IT application and solution development business;

3. Strategic growth through merger, acquisition or business collaboration;

4. Purchase of new office premises as well as equipping and renovating our existing office premises;

5. Starting a research and development team; and

6. Strengthening our marketing efforts.

Please refer to the paragraph headed "Our business strategies" in the section headed "Business" in this prospectus for a detailed description of our business strategies.

IMPLEMENTATION PLANS

In light of the business objectives and future plans of our Group, our Group will seek to attain the milestones contained in this paragraph from the Latest Practicable Date to the year ending 31 March 2017. Investors should note that the milestones and their scheduled times for attainment are formulated on the bases and assumptions referred to in the paragraph headed "Bases and key assumptions of the business plan" in this section. These bases and assumptions are inherently subject to many uncertainties, variables and unpredictable factors, in particular the risk factors set out in the section headed "Risk factors" in this prospectus. Our Group's actual course of business may vary from the business objectives set out in this prospectus. There can be no assurance that the plans of our Group will materialise in accordance with the expected time frame or that the objectives of our Group will be accomplished at all. Our Directors intend to carry out the following implementation plans:

1 From the Latest Practicable Date to 31 March 2015

Purchase of new office premises as well as equipping and renovating our existing office premises	● Identify and confirm potential office location and office premises ● Carry out renovation

2 For the period from 1 April 2015 to 30 September 2015

Purchase of new office premises as well as equipping and renovating our existing office premises	• Identify and confirm potential new office location and office premises • Enhance and renovate office facilities and equipment of the existing offices
Expanding our professional team and enhancing our service quality	• New headcount of about three to five staff for providing IT application and solution development services • New headcount of about 15 staff for providing secondment services • Review the remuneration of staff and candidates who will join the professional team of our Group • Provide subsidies to our Group's professional team on continuing education program and offer internal and external continuous professional training programmes to our staff • Continue the development of the QMS and internal control system and carry out the improvement work for the QMS • New headcount about one staff for the development of the internal control system and continue to carry out the improvement work for the internal control system • Organise seminars for professional parties and potential clients
Strategic growth through merger, acquisition or business collaboration	• Explore potential IT companies which (i) own readily available distribution or reseller licences of IT-related hardware and software products; (ii) specialise in IT technology and software development; and/or (iii) offer secondment services in the IT industry
Expansion of IT application and solution development business	• Continue to explore business opportunities in IT application and solution development services for financial institutions, government bodies and logistics industries in Hong Kong and evaluate the possibility to expand the IT application and solution development project business in other industries • Reserve additional fund for carrying out more IT application and solution development project(s) which require us to place a security sum as deposit under the term of contract

Starting a research and development team	• Set up a research and development team • Identify the research and development plan, focusing on hosting services, mobile applications, Clouds products, transportation and logistics system and related IT products • Commence carrying out the development of new mobile application product(s)
Strengthening the marketing efforts	• Organise seminars for professional parties and potential clients • Advertise in industry magazine and public electronic media • Organise client relationship events

3 For the period from 1 October 2015 to 31 March 2016

Purchase of new office premises as well as equipping and renovating our existing office premises	• Finalise potential office premises and engage professional parties for execution • Purchase an office premises, carry out renovation and purchase office facilities and equipment
Expansion of IT application and solution development business	• Continue to explore business opportunities in IT application and solution development services for financial institutions, government bodies and logistics industries in Hong Kong and evaluate the possibility to expand the services to other industries • Reserve working capital for (i) carrying out large-scale and long term IT application and solution development project(s) with relatively long payment period; and (ii) carrying out more IT application and solution development projects which require us to place a security sum as deposit under the term of contract
Expansion of our professional team and enhancement of our service quality	• Review the remuneration of staff and candidates who will join the professional team of our Group • Provide subsidies to our Group's professional team on continuing education programmes and offer internal and external continuous professional training programmes to our staff • Review and continue to carry out the improvement work for the QMS and internal control system

Strategic development through merger, acquisition or business collaboration	●	Explore potential targets
Starting a research and development team	●	Review and continue to carry out the development of new mobile application product(s)
	●	Review the progress of the development plan and prepare for the development and target for 2016
Strengthening the marketing efforts	●	Organise seminars for professional parties and potential clients
	●	Participate in industry exhibitions
	●	Advertise in industry magazine and public electronic media
	●	Organise client relationship events
	●	Engage an independent public relations firm

4 For the period from 1 April 2016 to 30 September 2016

Purchase of new office premises as well as equipping and renovating our existing office premises	●	Continue to carry out the renovation plan and purchase office facilities and equipment
Expansion of IT application and solution development business	●	Continue to explore business opportunities in IT application and solution development services for financial institutions, government bodies and logistics industries in Hong Kong and evaluate the possibility to expand the services to other industries
	●	Evaluate the possibility to restructure and recommence the IT application and solution development project in the PRC
	●	Reserve additional working capital for (i) carrying out large-scale and long term IT application and solution development project(s) with relatively long payment period; and (ii) carrying out more IT application and solution development project(s) which require us to place a security sum as deposit under the term of contract

Expansion of our professional team and enhancing our service quality	• New headcount of about three to five staff for providing IT application and development services • New headcount of about 15 to 18 staff for providing secondment services • Review the remuneration of staff and new candidates who will join the professional team of our Group • Provide subsidies to our Group's professional team on continuing education programmes and offer internal and external continuous professional training programmes to our staff • Continue to carry out the improvement work for the QMS and internal control system
Strategic development through merger, acquisition or business collaboration	• Identify potential targets • Conduct preliminary due diligence on potential targets and internal evaluation by the Board • Engage professional parties to conduct further due diligence and provide advice
Starting a research and development team	• Continue to carry out the development of new mobile application products and Cloud products
Strengthening the marketing efforts	• Organise seminars for professional parties and potential clients • Participate in industry exhibitions • Advertise in industry magazine and public electronic media • Organise client relationship events • Engage an independent public relations firm

5 For the period from 1 October 2016 to 31 March 2017

Purchase of new office premises as well as equipping and renovating our existing office premises	• Review the additional requirements on office facilities and equipment

Expanding our professional team and enhancing our service quality	● New headcount of about three to five staff for providing IT application and solution development services ● New headcount of about one to three staff for providing maintenance and support services ● Review the remuneration of staff and candidates who will join the professional team of our Group ● Provide subsidies to our Group's professional team on continuing education program; and offer internal and external continuous professional training programmes ● Review and continue to carry out the improvement work for the QMS and internal control system
Strategic growth through merger, acquisition or business collaboration	● Finalise potential target and complete due diligence ● Execute the merger and acquisition plan of potential target in accordance with the requirements as required under Chapter 19 and/or 20 of the GEM Listing Rules
Expansion of IT application and solution development business	● Continue to explore business opportunities in IT application and solution development services for financial institutions, government bodies and logistics industries in Hong Kong and evaluate the possibility to expand the services to other industries ● Evaluate the possibility to develop and expand the IT application and solution development services in the PRC ● Reserve additional fund for carrying out more IT application and solution development project(s) which require us to place a security sum as deposit under the term of contract
Starting a research and development team	● Continue to carry out the development of new mobile application products and Cloud products ● Review the progress of the development plan and prepare for the development and target for 2017

Strengthening the marketing efforts	• Organise seminars for professional parties and potential clients • Participate in industry exhibitions • Advertise in industry magazine and public electronic media • Organise client relationship events • Engage an independent public relations firm

BASES AND KEY ASSUMPTIONS OF THE BUSINESS PLANS

The business objectives set out by our Directors are based on the following bases and assumptions:

- our Group will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives relate;
- there will be no material changes in existing laws and regulations, or other governmental policies relating to our Group, or in the political, economic or market conditions in which our Group operates;
- there will be no change in the funding requirement for each of the implementation plans described under the paragraph headed "Implementation plan" in this section from the amount as estimated by our Directors;
- there will be no material changes in the bases or rates of taxation applicable to the activities of our Group;
- there will be no disasters, natural, political or otherwise, which would materially disrupt the business or operations of our Group;
- our Group will not be materially affected by the risk factors as set out under the section headed "Risk factors" in this prospectus;
- our Group will be able to retain key staff in the management and the main operational departments; and
- our Group will be able to continue our operation in substantially the same manner as our Group had been operated during the Track Record Period and our Group will also be able to carry out our development plans without disruptions adversely affecting our operations or business objectives in any way.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Placing of the Placing Shares will enhance capital base of our Group and provide our Group with additional working capital to implement the future plans set out in the paragraph headed "Our business strategies" under the section headed "Business" in this prospectus.

USE OF PROCEEDS

Our Directors intend to apply the net proceeds from the Placing to finance the business expansion, capital expenditure and strengthen the capital base of our Group and improve our Group's overall financial position. Based on the Placing Price of HK$0.35 per Placing Share (being the mid-point of the indicative Placing Price range between HK$0.3 and HK$0.4 per Placing Share), the net proceeds from the Placing of the Placing Shares, after deducting underwriting fees and estimated expenses in connection with the Placing, are estimated to be approximately HK$68.3 million. Our Company presently intends to apply such net proceeds from the Placing as follows:

	From the Latest Practicable Date to 31 March 2015	**For the six months ending 30 September 2015**	**For the six months ending 31 March 2016**	**For the six months ending 30 September 2016**	**For the six months ending 31 March 2017**	**Total**	**Approximate percentage of net proceeds**
	HK$ (in million)	*HK$ (in million)*	*HK$ (in million)*	*HK$ (in million)*	*HK$ (in million)*	*HK$ (in million)*	
Purchase of new office premises as well as equipping and renovating our existing office premises *(Note 1)*	1.0	1.0	—	10.0	5.5	17.5	26%
Expanding our professional team and enhancing our service quality	—	1.5	4.1	4.5	4.2	14.3	21%
Strategic growth through merger, acquisition or business collaboration *(Note 2)*	—	—	—	1.1	13.0	14.1	21%
Expansion of IT application and solution development business	—	—	—	—	—	8.5	12%
Starting a research and development team	—	0.5	0.8	1.6	2.0	4.9	7%
Strengthening our marketing efforts	—	0.5	0.5	0.6	0.6	2.2	3%
Working capital and other general corporate purposes	—	—	—	—	—	6.8	10%
Total						68.3	100%

Notes:

1. As at the Latest Practicable Date, we had not identified any office premises for purchase and will only commence identifying potential premises after Listing.

2. As at the Latest Practicable Date, we had not identified any targets.

In the event that the Placing Price is set at the high-end or the low-end of the proposed Placing Price range, the net proceeds from the Placing will increase or decrease by approximately HK$12.0 million to, high-end of approximately HK$80.3 million and low-end of approximately HK$56.3 million, after deducting related expenses, respectively. Our Group intends to use the net proceeds based on the percentages disclosed above, regardless of whether the Shares are priced at the high-end or low-end of the proposed Placing Price.

To the extent that the net proceeds from the Placing are not immediately required for the above purposes, it is the present intention of our Directors that such proceeds will be placed on short-term interest bearing deposits with authorised financial institutions in Hong Kong.

DIRECTORS

The Board is responsible and has general powers for the management and conduct of our Group's business. Saved as disclosed below, none of our Directors has any other directorship in listed companies in the last three years. The table below shows certain information in respect of members of the board of Directors of our Company:

Name	Age	Position	Principal responsibilities	Date of appointment as Director
Mr. Lee Cheong Yuen (李昌源)	47	Chief executive officer and executive Director	Overseeing the business development and in-house operations and devising market strategies and business expansion plans of our Group	26 April 2013
Mr. Yong Man Kin (楊敏健)	49	Chairman and executive Director	Overseeing the business development, in-house operations, overall strategic planning and business expansion plans, accounts and human resources activities of our Group	26 April 2013
Mr. Chan Kwok Pui (陳國培)	58	Non-executive Director	Advising on business opportunities for investment, development and expansion of our Group	29 January 2014
Mr. Tam Kwok Wah (譚國華)	64	Non-executive Director	Advising on business opportunities for investment, development and expansion of our Group	29 January 2014
Dr. Chan Mee Yee (陳敏兒)	52	Independent non-executive Director	Providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Group	3 March 2015
Dr. Chow Kam Pui (鄒錦沛)	55	Independent non-executive Director	Providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Group	3 March 2015
Ms. Kam Man Yi, Margaret (甘敏儀)	47	Independent non-executive Director	Providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Group	3 March 2015

Executive Directors

Mr. Lee Cheong Yuen (李昌源), aged 47, is our chief executive officer and an executive Director and is responsible for overseeing the business development and in-house operations and devising market strategies and business expansion plans of our Group.

Mr. Lee founded our Group in 1992. In the past 20 years, he led our Group to successfully complete several large-scale IT application and solution development projects for major clients in the public sector, private sector, banking and finance sector and logistics sector. Mr. Lee obtained a degree of bachelor of science in computer studies from the University of Hong Kong ("HKU") in December 1989. He has over 20 years of experience in the IT industry.

Mr. Lee holds directorships in various companies within our Group including the following:

Name of company	Place of incorporation	Position held	Period of services
ICO Technology	Hong Kong	Director	September 1995 to present
ICO HK	Hong Kong	Director	June 1996 to present
Wide Faith	BVI	Director	January 2000 to present
ICO Holdings	Hong Kong	Director	March 2000 to present
Digital Faith	BVI	Director	January 2002 to present
ICO Technology (China) *(Note)*	Hong Kong	Director	October 2008 to March 2013
Tian Li Shi	PRC	Director	September 2009 to present
Value Digital	BVI	Director	May 2002 to present
ICO Group (HK)	Hong Kong	Director	May 2013 to present
Wide Ocean	BVI	Director	March 2000 to present
ICO Investments	Hong Kong	Director	April 2013 to present

Note: ICO Technology (China) was disposed of by our Group to an Independent Third Party on 1 April 2013.

Mr. Lee was a director of the following companies which were incorporated in Hong Kong prior to their respective dissolution:

Name of company	Principal business activity prior to dissolution	Date of dissolution	Means of dissolution *(Note)*	Reasons for dissolution
ICO Systems (China) Limited	Investment holding	20 April 2012	Deregistration	Inactive
Fine Excel Limited	Investment holding	4 February 2005	Deregistration	Inactive

Note: "deregistration", in the context of Hong Kong law, refers to the process whereby a director or a member of a private company incorporated under the Predecessor Companies Ordinance which has ceased its operation and is not insolvent applies to the Companies Registry of Hong Kong for deregistration pursuant to section 291AA of the Predecessor Companies Ordinance. Such application can only be made if (1) all members of the company agree to the deregistration; (2) the company has never commenced business or operation, or has ceased to carry on business or operation for more than three months immediately prior to the application; and (3) the company has no outstanding liabilities.

Mr. Lee does not hold any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Yong Man Kin (楊敏健), aged 49, is our chairman and an executive Director and is responsible for overseeing the business development, in-house operations, overall strategic planning and business expansion plans, accounts and human resources activities of our Group.

Mr. Yong is one of the founders of our Group. Under his directorship, over the past 19 years, he led our Group to successfully complete several large-scale IT application and solution development projects for major customers in the public sector, private sector, and regulatory sector. Mr. Yong obtained a degree of bachelor of science in computer studies from HKU in December 1989. Mr. Yong has over 19 years of experience in the IT industry.

Mr. Yong holds directorships in various companies within our Group including the following:

Name of company	Place of incorporation	Position held	Period of services
ICO HK	Hong Kong	Director	June 1996 to present
ICO Technology	Hong Kong	Director	July 1996 to present
Wide Faith	BVI	Director	January 2000 to present
Great Talent	BVI	Director	March 2000 to present
ICO Holdings	Hong Kong	Director	March 2000 to present
Digital Faith	BVI	Director	January 2002 to present
Value Digital	BVI	Director	May 2002 to present
ICO Technology (China) *(Note)*	Hong Kong	Director	October 2008 to March 2013
ICO Group (HK)	Hong Kong	Director	May 2013 to present
ICO Investments	Hong Kong	Director	April 2013 to present

Note: ICO Technology (China) was disposed of by our Group to an Independent Third Party on 1 April 2013.

Mr. Yong was a director of the following companies which were incorporated in Hong Kong prior to their respective dissolution:

Name of company	Principal business activity prior to dissolution	Date of dissolution	Means of dissolution *(Notes)*	Reasons for dissolution
ICO Systems (China) Limited	Investment holding	20 April 2012	Deregistration	Inactive
Crown York Industrial Limited	Investment holding	27 February 2009	Striking off	Inactive
Fine Excel Limited	Investment holding	4 February 2005	Deregistration	Inactive
Renewal Group Limited	Investment holding	28 June 2013	Striking off	Inactive

Notes:

1. "deregistration", in the context of Hong Kong law, refers to the process whereby a director or a member of a private company incorporated under the Predecessor Companies Ordinance which has ceased its operation and is not insolvent applies to the Companies Registry of Hong Kong for deregistration pursuant to section 291AA of the Predecessor Companies Ordinance. Such application can only be made if (1) all members of the company agree to

the deregistration; (2) the company has never commenced business or operation, or has ceased to carry on business or operation for more than three months immediately prior to the application; and (3) the company has no outstanding liabilities.

2. "striking off", in the context of Hong Kong law, refers to striking off the name of a company from the register of companies by the Registrar of Companies of Hong Kong under section 291 of the Predecessor Companies Ordinance where the Registrar of Companies has reasonable cause to believe that a company is not carrying on business or in operation.

Mr. Yong has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Non-executive Directors

Mr. Chan Kwok Pui (陳國培), aged 58, is a non-executive Director and is responsible for advising on business opportunities for investment, development and expansion of our Group.

Mr. Chan obtained a degree of bachelor of science in computer studies from HKU in December 1989. Mr. Chan has over 22 years of experience in the IT industry. Mr. Chan was a computer officer at HKU from August 1992 to August 1995. He then joined our Group in 1995.

Mr. Chan holds directorships in various companies within our Group including the following:

Name of company	Place of incorporation	Position held	Period of services
ICO HK	Hong Kong	Director	June 1996 to April 2005
ICO Technology	Hong Kong	Director	September 1995 to July 1996 and January 1998 to April 2005
ICO Holdings	Hong Kong	Director	March 2000 to April 2005
Wide Faith	BVI	Director	January 2000 to present
Digital Faith	BVI	Director	January 2002 to present
Value Digital	BVI	Director	May 2002 to present
Wide Ocean	BVI	Director	March 2000 to present

Mr. Chan was a director of the following companies which were incorporated in Hong Kong prior to their respective dissolution:

Name of company	Principal business activity prior to dissolution	Date of dissolution	Means of dissolution *(Note)*	Reasons for dissolution
ICO Systems (China) Limited	Investment holding	20 April 2012	Deregistration	Inactive
Fine Excel Limited	Investment holding	4 February 2005	Deregistration	Inactive
Top Will (China) Limited	Investment holding	3 December 2004	Deregistration	Inactive

Note: "deregistration", in the context of Hong Kong law, refers to the process whereby a director or a member of a private company incorporated under the Predecessor Companies Ordinance which has ceased its operation and is not insolvent applies to the Companies Registry of Hong Kong for deregistration pursuant to section 291AA of the Predecessor Companies Ordinance. Such application can only be made if (1) all members of the company agree to the deregistration; (2) the company has never commenced business or operation, or has ceased to carry on business or operation for more than three months immediately prior to the application; and (3) the company has no outstanding liabilities.

Mr. Chan has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Tam Kwok Wah (譚國華), aged 64, is a non-executive Director and is responsible for advising on business opportunities for investment, development and expansion of our Group.

Mr. Tam obtained a degree of bachelor of social sciences from HKU in November 1975. He further received a master degree of science from The University of Manchester in the United Kingdom in December 1982. Mr. Tam was an assistant professor of HKU's business school, which was the last position he held at HKU from January 1985 to June 2004.

Mr. Tam holds directorships in various companies within our Group including the following:

Name of company	Place of incorporation	Position held	Period of services
Wide Faith	BVI	Director	January 2000 to present
Great Talent	BVI	Director	March 2000 to present
Value Digital	BVI	Director	May 2002 to present
ICO Holdings	Hong Kong	Director	April 2005 to present
ICO Technology	Hong Kong	Director	September 1995 to July 1996; January 1998 to September 1999; and April 2005 to present
ICO Technology (China) *(Note)*	Hong Kong	Director	October 2008 to March 2013
ICO HK	Hong Kong	Director	June 1996 to September 1999; and April 2005 to present

Note: ICO Technology (China) was disposed of by our Group to an Independent Third Party on 1 April 2013.

Mr. Tam was a director of the following companies which were incorporated in Hong Kong prior to their respective dissolution:

Name of company	Principle business activity prior to dissolution	Date of dissolution	Means of dissolution *(Notes)*	Reasons for dissolution
ICO Systems (China) Limited	Investment holding	20 April 2012	Deregistration	Inactive
New Method Consultants Limited	Investment holding	6 December 2002	Striking off	Inactive
Rich Nation Limited	Investment holding	11 October 2002	Striking off	Inactive
Way Best International Development Limited	Investment holding	8 November 2002	Striking off	Inactive

Notes:

1. "deregistration", in the context of Hong Kong law, refers to the process whereby a director or a member of a private company incorporated under the Predecessor Companies Ordinance which has ceased its operation and is not insolvent applies to the Companies Registry of Hong Kong for deregistration pursuant to section 291AA of the

Predecessor Companies Ordinance. Such application can only be made if (1) all members of the company agree to the deregistration; (2) the company has never commenced business or operation, or has ceased to carry on business or operation for more than three months immediately prior to the application; and (3) the company has no outstanding liabilities.

2. "striking off", in the context of Hong Kong law, refers to striking off the name of a company from the register of companies by the Registrar of Companies of Hong Kong under section 291 of the Predecessor Companies Ordinance where the Registrar of Companies has reasonable cause to believe that a company is not carrying on business or in operation.

Mr. Tam has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Independent non-executive Directors

Dr. Chan Mee Yee (陳敏兒), aged 52, is an independent non-executive Director and is responsible for providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Group.

Dr. Chan graduated from the University of California, San Diego in the US with a degree of bachelor of arts majoring in computer science in June 1980 and a degree of master of science in computer science in June 1981. She further received her degree of doctor of philosophy from HKU in November 1988. In August 2003, Dr. Chan obtained a degree of bachelor of laws through distance learning from the University of London and a postgraduate certificate in laws from HKU in June 2004. Dr. Chan has also been a chartered financial analyst of The Institute of Chartered Financial Analysts since September 1998.

The following table summarises Dr. Chan's professional experience prior to joining our Group:

Company/ organisation name	Principal business activities	Last position held	Responsibilities	Period of services
HKU	Education	Lecturer in the Centre of Computer Studies and Applications	Mainly engaged in undergraduate teaching and research	September 1982 to July 1987
The University of Texas at Dallas, US	Education	Assistant professor of the School of Engineering and Computer Science	Mainly engaged in graduate teaching and research	September 1987 to May 1990
HKU	Education	Honorary associate professor of the Department of Computer Science	Mainly engaged in research	January 1991 to December 2012
Gilt Chambers	Legal	Qualified barrister-at-law	Providing expert legal advice to and representing clients in court	January 2009 to December 2012
HKU	Education	Assistant registrar in the general services of the registry	Administrative work and academic support	September 2013 to present

Dr. Chan has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Dr. Chow Kam Pui (鄒錦沛), aged 55, is an independent non-executive Director and is responsible for providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Group.

Dr. Chow obtained a higher diploma in mathematics, statistics and computing from the Hong Kong Polytechnic University in November 1979 and a degree of master of arts in statistics from the University of California in the US in December 1981. Dr. Chow began his academic career in HKU upon obtaining his doctoral degree in electrical engineering from the University of California, Santa Barbara in the US in December 1985. He was admitted as a member of the Hong Kong Institution of Engineers in January 2006.

The following table summarises Dr. Chow's professional experience prior to joining our Group:

Company/ organisation name	Principal business activities	Last position held	Principal responsibilities	Period of services
HKU	Education	Lecturer of the department of computer science	Engaged in graduate and undergraduate teaching and research	January 1986 to June 2007
HKU	Education	Associate professor of the department of computer science, associate director of the center for information security and cryptography, programme director of the master of science in computer science, and associate programme director of master of science in electronic commerce and internet computing	Acting as an instructor for a course and giving lectures	July 2007 to present
The Information Security and Forensics Society (Hong Kong)	Non-governmental organisation	Chairman	Managing the society	2010 to 2011 and 2012 to 2013

Dr. Chow has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Ms. Kam Man Yi Margaret (甘敏儀), aged 47, is an independent non-executive Director and is responsible for providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Group.

Ms. Kam obtained a degree of bachelor of commerce from the University of Melbourne in Australia in July 1990 and a master degree of business administration through distance learning from the University of Southern Queensland in Australia in May 2008. Ms. Kam was admitted as a certified practising accountant of the Australian Society of Certified Practising Accountants ("CPA Australia") in September 1994. She has been a fellow member of the Hong Kong Institute of Certified Public Accountants since October 2004.

Ms. Kam is a qualified accountant who possesses over 15 years' experience in auditing and accounting, finance, treasury management and corporate compliance for various companies listed on the Stock Exchange.

Ms. Kam was a director of the following companies which were incorporated in Hong Kong prior to their respective dissolution:

Name of company	**Principle business activity prior to dissolution**	**Date of dissolution**	**Means of dissolution** *(Note)*	**Reasons for dissolution**
S & S Professional Consultancy Limited	Consultancy Service	14 February 2003	Deregistration	Inactive
Midland Cybernet Group Limited	Dormant	4 September 2009	Deregistration	Inactive
Midland Realty Mortgage Broker Limited	Mortgage brokering	11 September 2009	Deregistration	Inactive
New Choice International Capital Limited	Consultancy Service	6 June 2014	Deregistration	Inactive

Note: "deregistration", in the context of Hong Kong law, refers to the process whereby a director or a member of a private company incorporated under the Predecessor Companies Ordinance which has ceased its operation and is not insolvent applies to the Companies Registry of Hong Kong for deregistration pursuant to section 291AA of the Predecessor Companies Ordinance. Such application can only be made if (1) all members of the company agree to the deregistration; (2) the company has never commenced business or operation, or has ceased to carry on business or operation for more than three months immediately prior to the application; and (3) the company has no outstanding liabilities.

Ms. Kam has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

SENIOR MANAGEMENT

Name	Age	Position	Principal responsibilities	Period of services
Mr. Leung Man Lun Walter (梁萬倫)	53	Managing director	Overall management of ICO Technology	July 2006 to present
Mr. Ho Chak Keung (何澤強)	45	General manager	Daily operations of and supervision of the business of ICO Technology	July 2006 to present
Mr. Leung Kei Pui (梁基沛)	33	Company secretary	Overseeing our Group's finance and accounting function as well as company secretarial matters	January 2009 to present

Mr. Leung Man Lun Walter (梁萬倫), aged 53, is the managing director of ICO Technology and is responsible for the overall management of ICO Technology including strategic planning and sales and marketing in Hong Kong and the PRC.

Mr. Leung has over 30 years of experience in the IT industry including data processing, programming, customer support strategic planning, sales and marketing and management of daily operations.

The following table summarises Mr. Leung's professional experience prior to joining our Group:

Company/ organisation name	Principal business activities	Last position held	Principal responsibilities	Period of services
System-Pro Solutions Limited	IT	Director and general manager	Daily operations, supervision and coordination of its business	October 1992 to March 1996
Jardine OneSolution (HK) Limited	IT	Managing director	Overall management	April 1996 to August 2003
Sun Hing Industries Holding Limited	Manufacturing of lingerie fabric and accessories	Deputy general manager	Overall management	August 2003 to April 2006

Mr. Leung holds directorships in a number of companies within our Group including the following:

Name of company	Place of incorporation	Position held	Period of services
ICO Technology	Hong Kong	Director	July 2006 to present
ICO Technology (China) *(Note)*	Hong Kong	Director	October 2008 to March 2013
Shenzhen Kai Gang *(Note)*	PRC	Director	July 2011 to March 2013

Note: ICO Technology (China) and Shenzhen Kai Gang were disposed of by our Group to an Independent Third Party on 1 April 2013.

Mr. Leung has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Ho Chak Keung (何澤強), aged 45, is the general manager of ICO Technology and is responsible for the daily operations of and supervision of the business of ICO Technology. He obtained a degree of bachelor of science in computer systems engineering in July 1992 from the University of Kent in the United Kingdom.

Mr. Ho has 20 years IT sales and marketing experience. He joined our Group in July 2006 as a general manager (sales and marketing) and is responsible for sales and marketing in Hong Kong and the PRC including identifying business opportunities, generating sales leads, building relationships with our customers and building our brand awareness.

The following table summarises Mr. Ho's professional experience prior to joining our Group:

Company/ organisation name	Principal business activities	Last position held	Principal responsibilities	Period of services
JOS Technology Group	IT	Assistant sales manager	Assisting the sales manager in daily operations	December 1993 to December 1999
Powerlan (HK) Limited	IT	Sales manager	Overseeing sales and operations in Hong Kong	February 2000 to September 2002
Mainline Global Hong Kong Limited	IT	Sales director	Overseeing all business in Hong Kong	September 2002 to December 2005
Agilysys HK Limited	IT	Sales director	Overseeing the sales department in Hong Kong	January 2006 to June 2006

Mr. Ho holds directorships in a number of companies within our Group including the following:

Name of company	Place of incorporation	Position held	Period of services
ICO Technology (China) *(Note)*	Hong Kong	Director	January 2010 to March 2013
Shenzhen Kai Gang *(Note)*	PRC	Director	March 2009 to January 2010
ICO Technology	Hong Kong	Director	January 2010 to present

Note: ICO Technology (China) and Shenzhen Kai Gang were disposed of by our Group to an Independent Third Party on 1 April 2013.

Mr. Ho has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

COMPANY SECRETARY

Mr. Leung Kei Pui (梁基沛), aged 33, is the secretary of our Group. Mr. Leung Kei Pui graduated from the Leeds Metropolitan University in the United Kingdom with a degree of bachelor of arts in accounting and finance through distance learning in May 2004. He was admitted as a fellow of the Association of Chartered Certified Accountants in June 2012. He was also admitted an associate of The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in October 2012.

Mr. Leung Kei Pui has over 8 years of experience in the field of accounting and auditing. Mr. Leung Kei Pui has been an accountant of our Group since January 2009. He is responsible for handling full set of accounts and daily accounting operations for our Group and providing monthly financial statements, cash flow and project analysis.

The following table summarises Mr. Leung Kei Pui's professional experience prior to joining our Group:

Company/ organisation name	Principal business activities	Last position held	Responsibilities	Period of services
Raymond Chin & Co.	Accountancy	Audit senior	Handling full set of accounts and statutory audit procedures, providing taxation advice to clients and reviewing and supervising juniors' works	May 2004 to December 2008

Mr. Leung Kei Pui has not held any directorship in any other public companies the securities of which are or have been listed on any securities market in Hong Kong or overseas in the past three years.

COMPLIANCE OFFICER

Mr. Yong Man Kin is the Compliance Officer of our Group. For details of his biography, please refer to the paragraph headed "Executive Directors" of this section.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Our Directors receive compensation in the form of salaries, discretionary bonuses and other allowances, and benefits in kind. Our Directors' remuneration is determined with reference to their respective responsibilities, experiences and skills, our performance and market level of salaries paid by comparable companies. The aggregate amount of emoluments paid to our Directors for each of the three years ended 31 March 2012, 2013 and 2014 were approximately HK$4.1 million, HK$3.2 million and HK$3.5 million, respectively. As for the six months ended 30 September 2013 and 2014, the aggregate amount of emoluments paid to our Directors were approximately HK$1.7 million and HK$1.9 million respectively.

The aggregate amount of fees, salaries, housing allowances, other allowances, benefits in kind (including contribution to the pension scheme on behalf of our Directors) and discretionary bonuses paid to the five highest paid individuals of our Group, excluding our Directors, for each of the three years ended 31 March 2012, 2013 and 2014 and each of the six months ended 30 September 2013 and 2014 were approximately HK$2.9 million, HK$3.7 million, HK$3.6 million, HK$1.7 million and HK$1.7 million, respectively.

During the Track Record Period, we have not paid any emoluments to our Directors or any of the five highest paid individuals as an inducement to join or upon joining us or as compensation for loss of office. Further, there were no arrangements under which our Directors waived or agreed to waive any remuneration during the Track Record Period.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, save as set out below, our Company intends to comply with the code provisions set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules after Listing.

COMPLIANCE ADVISER

Our Group has appointed New Spring Capital Limited as its compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. Pursuant to Rule 6A.23 of the GEM Listing Rules, the compliance advisers will advise our Group in the following circumstances:

(1) before the publication of any regulatory announcement, circular or financial report;

(2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;

(3) where our Group proposes to use the proceeds of the Placing in a manner different from that detailed in this prospectus or where our Group's business activities, development or results of operation deviate from any forecast, estimate or other information in this prospectus; and

(4) where the Stock Exchange makes an inquiry regarding unusual movements in the price or trading volume of the Shares.

The term of the appointment will commence on the Listing Date and end on the date on which our Group complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the Listing Date.

BOARD COMMITTEES

Audit Committee

Our Group established an audit committee on 3 March 2015 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules. The audit committee consists of three independent non-executive Directors namely Kam Man Yi Margaret, a Director with the appropriate professional qualifications who serves as the chairman of the audit committee, Chan Mee Yee and Chow Kam Pui.

The primary duties of the audit committee are to assist the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

Remuneration Committee

Our Group established a remuneration committee on 3 March 2015 with written terms of reference in compliance with paragraph B.1 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules. The remuneration committee consists of three independent non-executive Directors, namely Chan Mee Yee, who serves as the chairman of the remuneration committee, Chow Kam Pui and Kam Man Yi Margaret. The primary duties of the remuneration committee include (but without limitation): (i) making recommendations to our Directors on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of our Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

Nomination Committee

Our Group also established a nomination committee on 3 March 2015 with written terms of reference in compliance with paragraph A.5 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules. The nomination committee consists of five members, the majority of whom are independent non-executive Directors, namely Chow Kam Pui, who serves as the chairman of the nomination committee, Chan Mee Yee, Kam Man Yi Margaret, Yong Man Kin and Lee Cheong Yuen. The primary function of the nomination committee is to make recommendations to the Board to fill vacancies on the same.

Overview of staff number

The following table sets forth the number of full-time employees in Hong Kong by function as at the Latest Practicable Date:

	Number of staff
Management	6
Sales and marketing	6
Administration/human resources	17
Project managers	22
Technical staff	190
Total	241

We recruit or appoint our personnel from the open market and we enter into employment contracts with them respectively. We offer competitive packages to our employees, including salaries and bonuses to qualified employees. We usually start our recruiting process for suitable employees when individual department heads consider that they would need more staff members to carry out duties of the department.

STAFF

Our relationship with our employees

During the Track Record Period and as at the Latest Practicable Date, our Group had not experienced any significant difficulties in recruiting employees, and had not experienced any significant strikes, work stoppages or labour disputes. Our Directors confirm that our Group's relationship with our employees is satisfactory in general. Our Directors consider that the management policies, working environment, career prospects and benefits extended to our employees have contributed to building a good employee relations and employee retention. Our Group provides on-the-job training for the employees to equip them with the skills and knowledge relevant to their work.

Employee benefits

Our Group makes contributions to the retirement fund in compliance in all material respects with the requirements of the laws and regulations of the jurisdictions where it operates.

In accordance with the applicable laws and regulations in the PRC, we make contributions to the social security schemes and housing provident funds of our staff in the PRC. As advised by our PRC Legal Advisers, according to confirmations from the relevant authorities, to the best of their knowledge, we have been in compliance in all material respects with applicable employment laws during the Track Record Period.

SUBSTANTIAL SHAREHOLDERS

Our Directors confirm that, immediately following the completion of the Placing and the Capitalisation Issue, the following persons/entities will have an interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be directly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Substantial Shareholders of our Company

Name	Capacity and nature of interests	Number of Shares held	Approximate percentage of shareholding
Mr. Lee *(Note 2 & 3)*	Interest held jointly with another person; interest of a controlled corporation	750,000,000 (L) *(Note 1)*	75%
BIZ Cloud *(Note 3)*	Beneficial owner	750,000,000 (L) *(Note 1)*	75%
Ms. Saetia Ladda *(Note 4)*	Interest in spouse	750,000,000 (L) *(Note 1)*	75%
Mr. Chan *(Note 2 & 5)*	Interest held jointly with another person; interest of a controlled corporation	750,000,000 (L) *(Note 1)*	75%
Cloud Gear *(Note 5)*	Beneficial owner	750,000,000 (L) *(Note 1)*	75%
Mr. Yong *(Note 2 & 6)*	Interest held jointly with another person; interest of a controlled corporation	750,000,000 (L) *(Note 1)*	75%
Friends True *(Note 6)*	Beneficial owner	750,000,000 (L) *(Note 1)*	75%
Ms. Ma Kit Ling *(Note7)*	Interest in spouse	750,000,000 (L) *(Note 1)*	75%
Mr. Tam *(Note 2 & 8)*	Interest held jointly with another person; interest of a controlled corporation	750,000,000 (L) *(Note 1)*	75%
Imagine Cloud *(Note 8)*	Beneficial owner	750,000,000 (L) *(Note 1)*	75%

Notes:

1. The letter "L" denotes a long position in the shareholder's interest in the share capital of our Company.

2. On 27 February 2015, our ultimate Controlling Shareholders, namely, Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam, entered into the Confirmation Deed to acknowledge and confirm, among other things, that they were parties acting in concert of each of the members of our Group during the Track Record Period, details of which are set out in the paragraph "Parties acting in concert" under the section headed "History, Reorganisation and Group Structure" to this prospectus. As such, our ultimate Controlling Shareholders together control 75% interest in the share capital of our Company through BIZ Cloud, Cloud Gear, Friends True and Imagine Cloud. As a result, each of our ultimate Controlling Shareholders is deemed to be interested in such 75% interest in the share capital of our Company.

3. Shares in which Mr. Lee is interested consist of (i) 292,500,000 Shares held by BIZ Cloud, a company wholly owned by Mr. Lee, and (ii) 457,500,000 Shares in which Mr. Lee is deemed to be interested as a result of being a party acting-in-concert with Mr. Chan, Mr. Yong and Mr. Tam.

4. Ms. Saetia Ladda is the spouse of Mr. Lee. Under the SFO, Ms. Saetia Ladda is deemed to be interested in the same number of Shares in which Mr. Lee is interested.

5. Shares in which Mr. Chan is interested consist of (i) 82,500,000 Shares held by Cloud Gear, a company wholly owned by Mr. Chan, and (ii) 667,500,000 Shares in which Mr. Chan is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee, Mr. Yong and Mr. Tam.

6. Shares in which Mr. Yong is interested consist of (i) 281,250,000 Shares held by Friends True, a company wholly owned by Mr. Yong, and (ii) 468,750,000 Shares in which Mr. Yong is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee, Mr. Chan and Mr. Tam.

7. Ms. Ma Kit Ling is the spouse of Mr. Yong. Under the SFO, Ms. Ma Kit Ling is deemed to be interested in the Shares in which Mr. Yong is interested.

8. Shares in which Mr. Tam is interested consist of (i) 93,750,000 Shares held by Imagine Cloud, a company wholly owned by Mr. Tam, and (ii) 656,250,000 Shares in which Mr. Yong is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee, Mr. Yong and Mr. Chan.

Substantial shareholding in the subsidiary of our Company

Name of the shareholder	Name of the subsidiary in which the shareholder is interested	Nature of interest	Number of shares	Percentage of shareholding in the subsidiary
Raceline *(Note 1)*	ICO Technology (HK)	Beneficial owner	490,000	49%

Note:

1. Mr. Leung and Mr. Ho are interested in 60% and 40% of the share capital of Raceline respectively.

Saved as disclosed above, our Directors are not aware of any persons who will, immediately following completion of the Placing and the Capitalisation Issue, have interests or short positions in Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Our ultimate Controlling Shareholders, namely, Mr. Lee, Mr. Yong, Mr. Chan and Mr. Tam, have been acquainted with each other since 1987 when they met while studying and teaching in the University of Hong Kong. Mr. Lee, Mr. Yong and Mr. Chan were classmates in the Faculty of Science of the University of Hong Kong while Mr. Tam was teaching in the Faculty of Social Science of the University of Hong Kong. Since 18 June 2006, they have entered into an oral agreement to control and manage the member companies comprising our Group as a group of persons acting-in-concert. Pursuant to such oral agreement, Mr. Lee and Mr. Yong have taken the leading role in the decision making, operation, and management of the member companies of our Group since 18 June 2006 or such later days on which a member company is established by our Group. The ultimate Controlling Shareholders have supported Mr. Lee and Mr. Yong in relation to the operation and management of our Group by exercising their voting rights at the meetings of the shareholders and boards of the then member companies of our Group in accordance with the joint decisions of Mr. Lee and Mr. Yong since then.

On 27 February 2015, our ultimate Controlling Shareholders entered into the Confirmation Deed to acknowledge and confirm, among other things, that they were parties acting in concert of each of the members of our Group during the Track Record Period, details of the Confirmation Deed are set out in the paragraph "Parties acting in concert" under the section headed "History, Reorganisation and Group Structure" in this prospectus.

Immediately after completion of the Placing and the Capitalisation Issue, our Controlling Shareholders will together control 75% of the total issued share capital of our Company with (i) BIZ Cloud effectively holding approximately 29.25% of the total issued share capital of our Company, which is wholly owned by Mr. Lee; (ii) Cloud Gear effectively holding approximately 8.25% of the total issued share capital of our Company, which is wholly owned by Mr. Chan; (iii) Friends True effectively holding approximately 28.125% of the total issued share capital of our Company, which is wholly owned by Mr. Yong; and (iv) Imagine Cloud effectively holding approximately 9.375% of the total issued share capital of our Company, which is wholly owned by Mr. Tam.

Our Controlling Shareholders will collectively continue to control more than 30% of our issued share capital. As such, BIZ Cloud, Cloud Gear, Friends True, Imagine Cloud, Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam will remain as Controlling Shareholders after the Placing and the Capitalisation Issue.

NON-DISPOSAL UNDERTAKINGS

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange that he/she/it shall not and shall procure that the relevant registered holder(s) shall not:

(a) in the period commencing on the date of this prospectus and ending on the date which is six months from the Listing Date dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which he/she/it is shown by this prospectus to be the beneficial owner; or

(b) in the period of six months commencing on the date on which the period referred to in (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances the Controlling Shareholders would, either individually or taken together with the others of them, cease to be a Controlling Shareholder.

Each of the Controlling Shareholders has also undertaken to the Stock Exchange and our Company to comply with the following requirements:

(i) in the event that the Controlling Shareholder pledges or charges any direct or indirect interest in relevant Shares in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), as security for a bona fide commercial loan or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules, at any time during the period commencing on the date of this prospectus and ending on the date which is six months from the Listing Date, he/she/it must inform our Company immediately thereafter, disclosing the details specified in Rules 17.43(1) to (4) of the GEM Listing Rules; and

(ii) having pledged or charged any interest in Shares under (i) above, he/she/it must inform our Company immediately in the event that he/she/it becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of Shares affected.

Our Company will inform the Stock Exchange as soon as it has been informed of such matters and must forthwith publish an announcement giving details of the same in accordance with the requirements of Rule 17.43 of the GEM Listing Rules.

Apart from our Group, during the Track Record Period, the Controlling Shareholders and their respective close associates also have interests in one other business in the development and sales of applications for mobile communication devices including mobile phones and tablet computers (the "Excluded Business"), which is in similar line of business of our Group and may constitute competition with our Group's business. For details of the Excluded Business, please refer to the paragraph headed "Excluded Business" in this section of the prospectus.

To ensure that competition will not exist in the future, the Controlling Shareholders have disposed of the Excluded Business to an Independent Third Party on 1 April 2013. Further the Controlling Shareholders have entered into the Deed of Non-competition with us to the effect that each of them will not, and will procure each of their respective close associates not to, directly or indirectly participate in, or hold any right or interest or otherwise be involved in, any business which may be in competition with our businesses.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from the Controlling Shareholders and their respective close associates after the Listing.

Financial independence

Our Group has an independent financial system and makes financial decisions according to its own business needs.

Our Directors confirm that as at the Latest Practicable Date, the non-trade related amounts due to or from the Controlling Shareholder or corporate controlled by them with our Group had been settled. All personal guarantees provided by the Controlling Shareholders and/or their respective close associates as security for banking facilities and bank borrowing of our Group will be released before/upon Listing. On this basis, our Directors believe that our Group is financially independent from the Controlling Shareholders and has adequate internal resources and credit profile to support its daily operation.

Management independence

The Board comprises 2 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors. The 2 executive Directors and 2 non-executive Directors are also ultimate Controlling Shareholders of our Company. Please see the section "Directors, Senior Management and Staff" for further details. Each of our Directors is aware of his/her fiduciary duties as a director which require, amongst other things, that he/she must act in the best interests and for the benefit of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests. Our Directors shall not vote in any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest and shall not be counted in the quorum present at the particular Board meeting. Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team is able to perform the managerial role in our Group independently.

Operational independence

Our Group has established its own organisational structure made up of individual departments, each with specific areas of responsibilities. Our Group has also established a set of internal control policies and guidelines to facilitate the effective operation of its business. Further details are set out in the paragraph headed "Internal control" under the section headed "Business" in this prospectus. During the Track Record Period, our Group had entered into certain transactions with its related parties as set out in more detail in the paragraph headed "Material Related Party Transactions" in Appendix I to this prospectus. As at the Latest Practicable Date, our Group does not have any transaction with any related party.

EXCLUDED BUSINESS

Introduction

Our Group is principally engaged in the provision of IT solutions which include end-to-end system integration and application development, distribution of IT products, provision of secondment services and provision of maintenance services to both public and private sectors in Hong Kong and commenced expanding into the PRC market through the establishment of Tian Li Shi and Shenzhen Kai Gang in 2009.

Save as above, the businesses of our Group also include the development and sales of specialised commissioned mobile communication devices applications ("Apps").

Details of the Excluded Business

The Excluded Business is the development and sales of Apps carried on through Technix and has an issued share capital of HK$100,000 owned as to 25% by Mr. Lee, 25% by Mr. Chan, 25% by Mr. Yong and 25% by Mr. Tam. During the Track Record Period, Technix has developed two Apps through Mr. Yong on an experimental basis and has uploaded them for free download through both Apple — App Store and Android in order to gain experience on the procedures for developing and uploading Apps and understand the commercial operations behind it.

Financial information of Technix

During the Track Record Period, according to the unaudited financial information of Technix:

(a) no gross revenue was recorded for the year ended 31 March 2012 and 2013;

(b) no gross profit was recorded for the year ended 31 March 2012 and 2013;

(c) losses of approximately HK$5,700 and HK$1,600 were recorded for the year ended 31 March 2012 and 2013; and

(d) net liabilities of approximately HK$384,000 and HK$386,000 were recorded as at 31 March 2012 and 2013.

Reasons for exclusion of the Excluded Business

Our Directors consider not to include the Excluded Business as part of our Group for the reasons that the size and volume of the Excluded Business was insignificant, the Excluded Business was not successful and was loss making through-out the Track Record Period and the experience gained by Mr. Yong can be passed onto personnel employed by our Group in the development and sales of specialised Apps.

Other than the above company, the Controlling Shareholders and their respective close associates are also interested in the following companies which are not engaged in similar lines of businesses of our Group which will constitute any competition to our businesses:

(a) a company carrying on business as recruitment agency, which is 50% owned by Mr. Chan and 50% owned by Mr. Lee and both are directors of the company; and

(b) a company carrying on business in providing corporate training, which is 90% owned by Mr. Tam and to the best knowledge of the Directors, the remaining 10% is owned by an independent third party.

The business operation of the recruitment agency company was inactive and running at a loss and there was no turnover for the two financial years ended 31 December 2012 and 31 December 2013, its daily operation was being taken up by Mr. Chan, who spent on average less than an hour per month on the affairs of the recruitment agency company. Our Directors are satisfied and consider that Mr. Chan and Mr. Lee will be able to allocate sufficient time to manage the business of our Company.

Our Directors are satisfied and considered that as Mr. Tam is only an non-executive Director of our Company, his interest in the corporate training company mentioned above will not affect him in discharging his duties to our Company.

Disposal of the Excluded Business

In order to ensure that competition will not exist in the future, the Controlling Shareholders have disposed of the Excluded Business to an Independent Third Party on 1 April 2013 at the consideration of HK$10,000 together with the undertaking from the Independent Third Party and Technix to change the name of Technix to another name that does not have any reference to "ICO" and "揚科".

NON-COMPETITION UNDERTAKINGS BY CONTROLLING SHAREHOLDERS

Each of the Controlling Shareholders entered into the Deed of Non-competition with our Company pursuant to which each of the Controlling Shareholders has, among other things, agreed and undertaken with our Company (for itself and on behalf of its subsidiaries) that for so long as such Controlling Shareholder is a director of our Company or a shareholder (whether directly or indirectly) of our Company within the Relevant Period (as defined below), other than through our Group:

(a) it will not and will procure that none of his close associates will, directly or indirectly be interested or involved or engaged in or acquire or hold interest (in each case whether as a shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise) in any competing business in Hong Kong and any other countries or jurisdictions to which our Group provides its services and/or in which any member of our Group carries on business mentioned above from time to time; and

(b) he/it will not and will procure that none of his/its close associates will, either on his/its own account or in conjunction with or on behalf of any person, firm or company, or as a principal, shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise, directly or indirectly, solicit, interfere with or endeavour to entice away from any member in our Group any person, firm, company or organisation who to its or his knowledge is now or has been a client, supplier or employee of any member in our Group.

For the above purpose, the "Relevant Period" means the period commencing from the date of the Deed of Non-competition and shall expire on the earlier of (a) the date on which the Shares cease to be listed on GEM; and (b) the date on which the Controlling Shareholders (together with their respective close associates), whether directly or indirectly, collectively, cease to own 30% or more of the then issued share capital of our Company or individually ceases to be deemed as a Controlling Shareholder of our Company.

The aforesaid undertaking does not apply with respect to the Controlling Shareholders engaging or participating in any business which may be a Competing Business but, in the opinion of all the independent non-executive directors of our Company, does not conflict with the interest of our Group.

Indemnity

Each of the Controlling Shareholders jointly and severally undertakes to indemnify and keep indemnified our Group against any damage, loss or liability suffered by our Group arising out of or in connection with any breach of covenants and undertakings and/or any of the obligations of all or any of the Controlling Shareholders under the Deed of Non-competition, including any costs and expenses incurred as a result such breach.

CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following procedures to monitor that the Deed of Non-competition is observed:

(a) the independent non-executive Directors shall review on an annual basis the above undertakings from the Controlling Shareholders and to evaluate the effective implementation of the Deed of Non-competition;

(b) each of the Controlling Shareholders undertakes to provide, upon our Company's request, any information to our Company or the independent non-executive Directors, as a basis to decide whether to exercise the right of first refusal by our Company from time to time; and

(c) each of the Controlling Shareholders undertakes to provide, upon the request of the independent non-executive Directors, all information necessary for the execution of the Deed of Non-competition, and to provide an annual confirmation in relation to the compliance of the non-competition undertaking in the annual report of our Company.

The undertakings contained in the Deed of Non-competition are conditional upon the Listing Division granting approval for the listing of and permission to deal in the Shares on GEM and all conditions precedent under the Underwriting Agreement having been fulfilled (or where applicable, waived) and the Underwriting Agreement not having been terminated in accordance with its terms.

The Deed of Non-competition shall terminate on (i) in relation to the Controlling Shareholders as a group of persons acting in concert, the date on which they together with their respective close associates, whether individually or taken together, ceases to collectively be interested in 30% (or such other amount as may from time to time be specified in the GEM Listing Rules as being the threshold for determining a controlling shareholder of a company) or more of the entire issued share capital of our Company; or (ii) the date on which the Shares shall cease to be listed and traded on GEM (except for temporary trading halt or suspension of trading of the Shares on GEM due to any reason).

COMPETING INTEREST

The Controlling Shareholders, our Directors and their respective close associates do not have any interest in a business apart from our Group's business which competes and is likely to compete, directly or indirectly, with our Group's business and would require disclosure under Rule 11.04 of the GEM Listing Rules.

SHARE CAPITAL

Authorised share capital:		*HK$*
10,000,000,000	Shares	100,000,000
Issued and to be issued, fully paid or credited as fully paid:		
1,000	Shares in issue	10
749,999,000	Shares to be issued under the Capitalisation Issue	7,499,990
250,000,000	New Shares to be issued pursuant to the Placing	2,500,000
Total:		
1,000,000,000	Shares	10,000,000

Notes: The table assumes the Placing becomes unconditional.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of the Listing and at all times thereafter, our Company must maintain the "minimum prescribed percentage" of 25% of the total issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

RANKING

The Placing Shares will rank *pari passu* in all respects with all the Shares now in issue or to be issued as mentioned in this prospectus and will qualify for all dividends and other distributions declared, paid or made after the date of this prospectus (except for the Capitalisation Issue).

CAPITALISATION ISSUE

Pursuant to the resolutions of the Shareholders passed on 3 March 2015, subject to the share premium account of our Company being credited as a result of the issue of Placing Shares pursuant to the Placing, our Directors are authorised to allot and issue a total of 749,999,000 Shares credited as fully paid at par under the Capitalisation Issue to the holders of Shares on the register of members of our Company at the close of business on 3 March 2015 (or as they may direct) in proportion to their respective shareholdings (save that no Shareholder shall be entitled to be allotted or issued any fraction of a Share) by way of capitalisation of the sum of HK$7,499,990 standing to the credit of the share premium account of our Company, and the Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the existing issued Shares.

You should read the following discussion and analysis of our Group's financial condition and results of operations together with our combined financial information for each of the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, and the accompanying notes ("Financial Information") included in the Accountants' Report set out in Appendix I to this prospectus. The Financial Information has been prepared in accordance with HKFRSs, which may differ in material respects from the generally accepted accounting principle in other jurisdiction. Potential investors should read the whole of the Accountants' Report set out in Appendix I to this prospectus and not rely merely on the information contained in this section. The following discussion and analysis may contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by our Company in light of our experience and perception of historical trends, current condition and expected future development, as well as other factors that we believe are appropriate under the circumstances. However, whether actual outcome and development will meet the expectations and predictions of our Company depends on a number of factors over which our Company has no control. For additional information, please refer to the section headed "Risk factors" in this prospectus.

OVERVIEW

Established in 1992, we are an IT service provider based in Hong Kong. Our Group is principally engaged in the following businesses:

(1) Provision of IT application and solution development services

We have engaged in the provision of IT application and solution development services in Hong Kong since 1995. The provision of IT application and solution development services generally includes IT systems integration, software development, technology consultancy and third party hardware and software procurement and after sales service. Our IT application and solution development services are generally provided on a project basis.

We charge our customers on a fixed price basis; our fees of which may be payable in several milestones. The pricing of IT application and solution development depends on factors such as complexity of the project, technology and equipment required, expected number of required man-days and level of competition during the bidding process. During the Track Record Period, our Group has experienced cost overun on one IT application and solution development project and recognised a loss of approximately HK$4.2 million for the year ended 31 March 2012 due to the increase in direct labour cost from assigning additional staff to the project; other than this, our Group has not experienced any other cost overrun.

(2) Provision of secondment services

We have been offering secondment services in Hong Kong since 1995 where we designate our staff to work for our customers for a fixed period of time pursuant to the relevant secondment service agreements. Our seconded staff are responsible for carrying out a wide range of IT-related services for our customers, such as system administration, unit testing, preparation of technical specifications, system design, development and support.

We generally charge our customers on a monthly basis with the rate specified in the secondment service agreements and such rate remains unchanged during the contract period unless otherwise mutually agreed. The pricing of secondment services depends on factors such as experience and qualification of the seconded staff, the salary of the seconded staff and the prevailing market rate. We may specify service fee caps for the fees chargeable by us in the secondment service agreements.

(3) Provision of maintenance and support services

Following the completion of the provision of IT application and solution development services, we may be engaged by our customers to provide maintenance and support services in separate agreements. We may also be engaged by customers whose IT systems were built and developed by other parties but seek us for maintenance and support services.

We generally charge our customers on a fixed price basis for an agreed service period. We take into account various factors when pricing our maintenance and support services, including scope of work, required service level, complexity of the customers' IT systems and cost of our suppliers.

(4) Provision of IT infrastructure solutions

We assess, design and implement IT infrastructure solutions for our customers. Our Group provides IT infrastructure solutions to customers by integrating various hardware and software sourced from third party suppliers, including servers, storage systems, security systems, software and networking equipment, to fulfil customers' requirements in relation to their IT infrastructure.

We generally charge our customers on a fixed price basis based on our customers' requirements, scope of work and cost of hardware, software and subcontracting.

BASIS OF PREPARATION

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on 26 April 2013 as part of the Reorganisation as detailed in the section headed "History, Reorganisation and Group Structure" in this prospectus. The companies taking part in the Reorganisation were controlled by the Controlling Shareholders. Pursuant to the Reorganisation completed on 27 February 2015, our Company became the holding company of the companies now comprising our Group.

As the companies now comprising our Group were controlled by the Controlling Shareholders before and after the Reorganisation, there was a continuation of the risks and benefits to the Controlling Shareholders and, therefore, the Reorganisation is considered to be a restructuring of business under common control. The financial information has been prepared using the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Track Record Period. The assets and liabilities of the companies comprising our Group are combined using the existing book values from the Controlling Shareholders' perspective.

The combined income statements, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of our Group for the Track Record Period as set out in Section B of the Accountants' Report in Appendix I to this prospectus include the results of operations of the companies now comprising our Group (or where the companies were incorporated at a date later than 1 April 2012, for the period from the date of incorporation to 30 September 2014) as if the current group structure had been in existence and remained unchanged throughout the Track Record Period. The combined statements of financial position of our Group as at 31 March 2012, 2013 and 2014, and 30 September 2013 and 2014 as set out in Section B of the Accountants' Report in Appendix I to this prospectus have been prepared to present the state of affairs of the companies now comprising our Group as at those dates as if the current group structure had been in existence as at the respective dates.

All material intra-group transactions and balances have been eliminated on combination in full in preparing the financial information.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

Our ability to maintain sufficient working capital

For IT application and solution development projects, we may receive payments in a number of milestones and we may be required to pay project expenditures before the actual receipt of payments from customers. As projects progress, the cash outflows may further increase, so will the burden on our working capital. Our capability to take up projects, and hence our business, is restrained by our ability to maintain sufficient working capital. Our Directors closely monitor projects' expenditures and ensure our Group is able to maintain sufficient working capital from time to time.

Our ability to cope with increasing labour costs and retain our staff

According to Ipsos, the salary of IT professionals is the major cost of IT service and solution providers. The persistent demand for skilled IT professionals has caused the steady growth in the salary of IT professionals in Hong Kong. Although the supply of IT professionals was largely in line with the growing demand for them in Hong Kong, the quality of supply currently lags behind. Our Directors consider that it is important for our Group to retain quality staff. As our business relies substantially on our staff's capabilities to deliver services to our customers, our ability to cope with the increasing labour costs and retain our staff is important to our operations and financial conditions.

Our ability to keep up with changes in technology

The IT industry is characterised by rapidly changing technology, evolving industry standards, frequent introductions and enhancements of new products and services, and changing customer demands. The introduction of new technology and the emergence of new industry standards may render our services to be obsolete and uncompetitive. Accordingly, our future success will depend on our ability to adapt to rapidly changing technologies, to adapt our services to the evolving industry standards and to improve the know-how of our staff in response to evolving demands of the market place. We are committed to keeping ourselves abreast of the technology development in order to stay competitive in the market. Failing to adapt to such changes would have a material adverse effect on our business operations.

Our ability to stay competitive in the market

The markets for IT application and solution development services, IT infrastructure solutions services, secondment services and maintenance and support services are highly competitive. There is a large supply of IT solutions and other application software products and services in the market which are similar to those offered by us. We compete with Hong Kong and international vendors or service providers. For large-scale IT application and solution development projects, our Directors believe that the barriers of entry are relatively high as they generally require sophisticated technical know-how and extensive development experience. However, we might have to compete with internationally renowned IT services providers for these projects. Our ability to stay competitive in the market is imperative to our operations.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The preparation of our combined financial information for the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2013 and 2014 in accordance with HKFRSs requires the use of accounting estimates and assumptions concerning the future. Estimates and judgments that we use in applying our accounting policies are based on historical experience and on various other factors that are believed to be reasonable under the circumstances. Our estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities when such values are not readily apparent from other sources. Actual results typically differ from our estimates. The estimates and assumptions may have a significant effect on the carrying amounts of assets and liabilities.

The sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing our combined financial information. Our Directors believe the following accounting policies are among those that involve the most significant judgments and estimates used in the preparation of our combined financial information. Other significant accounting policies are set forth in details in Note 1 to Section C of the Accountants' Report set out in Appendix I to this prospectus.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to our Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) IT application and solution development

When the outcome of a service contract can be estimated reliably, revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract.

When the outcome of a service contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable to be recoverable.

(ii) IT infrastructure solutions

Revenue from rendering of services is recognised when the services are rendered.

Revenue from sales of goods is recognised when goods are delivered at customers' premises which is taken to be the point in time when our customers have accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(iii) Secondment and maintenance and support services

Revenue arising from the provision of secondment and maintenance and support services is recognised when the services are rendered.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

Project contracts in progress

Project contracts in progress represents the gross unbilled amount expected to the collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in our Group's contract activities based on normal operating capacity.

Project contracts in progress is presented as "Gross amounts due from customers for contract work" (as part of trade and other receivables) in the statement of financial position for all contracts in which costs incurred plus recognised profits less recognised losses exceed progress billings. If progress billings exceed costs incurred plus recognised profits less recognised losses, then the difference is presented as "Gross amounts due to customers for contract work" (as part of trade and other payables) in the statement of financial position.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when our Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Impairment of assets

(i) Impairment of trade and other receivables

Trade and other receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of our Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payment;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When our Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

— Plant and equipment; and

— Intangible assets

If any such indication exists, the asset's recoverable amount is estimated.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the cash-generating unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment losses been recognised in prior reporting periods. Reversals of impairment losses are credited to profit or loss in the reporting period in which the reversals are recognised.

RESULTS OF OPERATIONS

The table below sets out a summary of our Group's unaudited combined financial results for the six months ended 30 September 2013, and audited combined financial results for the six months ended 30 September 2014 and each of the three years ended 31 March 2012, 2013 and 2014. For more detailed information, please refer to the Accountants' Report in Appendix I to this prospectus.

COMBINED INCOME STATEMENTS

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Turnover	220,687	196,152	189,984	94,654	88,715
Cost of sales	(172,012)	(150,792)	(150,957)	(75,416)	(68,003)
Gross profit	48,675	45,360	39,027	19,238	20,712
Other revenue	56	650	344	211	294
Other net income	184	622	139	244	121
General and administrative expenses	(30,364)	(28,753)	(36,927)	(16,662)	(18,475)
Profit from operations	18,551	17,879	2,583	3,031	2,652
Finance costs	(479)	(362)	(147)	(83)	(102)
Loss on deregistration of inactive subsidiary	(53)	—	—	—	—
Impairment loss on assets of disposal group classified as held for sale	—	(1,202)	—	—	—
Profit before taxation	18,019	16,315	2,436	2,948	2,550
Income tax	(1,890)	(3,518)	(1,806)	(1,223)	(640)
Profit for the year/period	16,129	12,797	630	1,725	1,910

DESCRIPTION OF THE COMBINED INCOME STATEMENTS

Turnover

We derived our turnover from IT application and solution development, secondment services, maintenance and support services, and IT infrastructure solutions. For the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, the turnover of our Group was approximately HK$220.7 million, HK$196.2 million, HK$190.0 million and HK$88.7 million, respectively.

The following table sets out the revenue by segments for the periods indicated:

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
							(Unaudited)			
IT application and solution development	33,762	15.3	25,995	13.3	21,679	11.4	12,221	12.9	6,674	7.5
Secondment services	45,409	20.6	42,812	21.8	40,660	21.4	19,757	20.9	21,880	24.7
Maintenance and support services	16,954	7.7	18,825	9.6	19,614	10.3	8,928	9.4	9,933	11.2
IT infrastructure solutions	124,562	56.4	108,520	55.3	108,031	56.9	53,748	56.8	50,228	56.6
	220,687	100.0	196,152	100.0	189,984	100.0	94,654	100.0	88,715	100.0

Turnover derived from IT application and solution development

Our IT application and solution development services generally include IT systems integration, software development, technology consultancy and third party hardware and software procurement and after sales service. We provide our IT application and solution development services on a project basis.

Our turnover generated from the provision of IT application and solution development amounted to approximately HK$33.8 million, HK$26.0 million and HK$21.7 million, representing approximately 15.3%, 13.3% and 11.4% of our total turnover for the three years ended 31 March 2012, 2013 and 2014, respectively. Our turnover derived from the provision of IT application and solution development services decreased by approximately 23.0% from HK$33.8 million for the year ended 31 March 2012 to HK$26.0 million for the year ended 31 March 2013 primarily due to the decrease in our turnover from general business enterprises of approximately HK$13.2 million, the decrease in our turnover from financial institutions of approximately HK$2.4 million and was offset by the increase in our turnover from government and statutory bodies of approximately HK$7.8 million. The decrease was primarily due to the reduced number of large-scale IT application and solution development projects completed during the year ended 31 March 2013 as compared to the year ended 31 March 2012. Our turnover derived from the provision of IT application and solution development services decreased by approximately 16.6% from HK$26.0 million for the year ended 31 March 2013 to HK$21.7 million for the year ended 31 March 2014 primarily due to the decrease in our turnover from general business enterprises of approximately HK$3.9 million, the decrease in our turnover from financial institutions of approximately HK$1.4 million and was offset by the increase in our turnover from government and statutory bodies of approximately HK$0.9 million.

Our Directors consider that a substantial portion of our turnover from IT application and solution development is usually recognised during the later stage of each project and the project duration of which may span across financial years. The decrease in turnover from general business enterprises and financial institutions for the year ended 31 March 2014 was primarily due to the fact that some large scale projects from these two sectors were completed in the first quarter of 2013 and such revenue was recognized in the year ended 31 March 2013.

Our turnover derived from the provision of IT application and solution development services decreased by approximately 45.4% from HK$12.2 million for the six months ended 30 September 2013 to HK$6.7 million for the six months ended 30 September 2014. The decrease in turnover from IT application and solution development was mainly due to the decrease in our turnover from government and statutory bodies of approximately HK$6.4 million partially offset by the increase in turnover from general business enterprises and financial institutions of approximately HK$0.3 million and HK$0.6 million respectively. The decrease in turnover from government and statutory bodies was due to (i) our Group allocated additional numbers of technical staff in preparation of the bidding for a government tender of Project A starting from December 2013, as referred in the paragraph "Recent development subsequent to Track Record Period" in this section; and (ii) there were delays in the tender awarding process.

Turnover derived from secondment services

We designate our staff to work for our customers for a fixed period of time pursuant to the secondment service agreements with our customers in Hong Kong. Our seconded staff are responsible for carrying out a wide range of IT-related services for our customers, such as system administration, system design and development.

Our turnover generated from the provision of secondment services to our customers amounted to approximately HK$45.4 million, HK$42.8 million, HK$40.7 million and HK$21.9 million, representing approximately 20.6%, 21.8%, 21.4% and 24.7% of our total turnover for the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, respectively. Our turnover derived from the provision of secondment services to our customers decreased by approximately 5.7% from approximately HK$45.4 million for the year ended 31 March 2012 to approximately HK$42.8 million for the year ended 31 March 2013 was primarily because of the decrease in number of secondment staff seconded to our customers during the year ended 31 March 2013 causing a shortfall in suitable technical staff to fulfill customers' demand. Our turnover derived from the provision of secondment services to our customers decreased by approximately 5.0% from HK$42.8 million for the year ended 31 March 2013 to HK$40.7 million for the year ended 31 March 2014 was primarily due to decrease in turnover from one of our top five customers resulting from our staff turnover of secondment services.

Our turnover derived from the provision of secondment services to our customers increased by approximately 10.7% from approximately HK$19.8 million for the six months ended 30 September 2013 to approximately HK$21.9 million for the six months ended 30 September 2014. The increase in turnover from secondment services was primarily due to the increase in our turnover from financial institutions of approximately HK$4.2 million. Such increase was due to the increase in the number of staff seconded to one of our top five customers to meet its increasing demand for secondment services.

Turnover derived from maintenance and support services

Following the completion of the provision of IT application and solution development services, we may be engaged by our customers to provide maintenance and support services in separate agreements. We may also be engaged by customers whose IT systems were built and developed by other parties but seek us for maintenance and support services.

The turnover generated from the provision of maintenance and support services amounted to approximately HK$17.0 million, HK$18.8 million and HK$19.6 million, representing approximately 7.7%, 9.6% and 10.3% of our total turnover for the three years ended 31 March 2012, 2013 and 2014, respectively. Our turnover derived from the provision of maintenance and support services increased by approximately 11.0% from HK$17.0 million for the year ended 31 March 2012 to HK$18.8 million for the year ended 31 March 2013 primarily due to the increase in number of new maintenance and support services agreements following the completion of IT application and solution development projects during the year ended 31 March 2012 and the renewal of maintenance and support contracts with government and statutory bodies during the period. Our turnover derived from the provision of maintenance and support services increased by approximately 4.2% from HK$18.8 million for the year ended 31 March 2013 to HK$19.6 million for the year ended 31 March 2014 primarily due to the increase in premium charged for the renewal of maintenance and support contracts with government and statutory bodies.

For the six months ended 30 September 2014, our turnover derived from the provision of maintenance and support services increased by approximately 11.3% from approximately HK$8.9 million for the six months ended 30 September 2013 to approximately HK$9.9 million. The increase in turnover derived from maintenance and support services was primarily due to the increase in the number of maintenance and support contracts entered during the six months ended 30 September 2014.

Turnover derived from IT infrastructure solutions

We assess, design and implement IT infrastructure solutions for our customers. Our Group provides IT infrastructure solutions to customers by integrating servers, storage systems, security systems, software, networking equipment, etc. sourced from different hardware and software suppliers.

The majority of our turnover was generated from the provision of IT infrastructure solutions to our customers which accounted for approximately 56.4%, 55.3% and 56.9% of our total turnover for the three years ended 31 March 2012, 2013 and 2014, respectively. Our turnover from provisions of IT infrastructure solutions decreased from approximately HK$124.6 million for the year ended 31 March 2012 to approximately HK$108.5 million for the year ended 31 March 2013. The decrease in turnover derived from the provision of IT infrastructure solutions during the year ended 31 March 2013 was mainly due to the decrease in turnover of approximately HK$34.8 million from general business enterprises sector and was partly offset by the increase in turnover from financial institutions sector of approximately HK$17.3 million and the increase in turnover from government and statutory bodies of approximately HK$1.5 million. The decrease in turnover from general business enterprises sector was primarily due to the decrease in turnover of approximately HK$18.1 million from one of our top five customers resulting from its decreasing purchase orders over its purchase cycle of IT infrastructure. Our turnover from provisions of IT infrastructure solutions remained stable at approximately HK$108.5 million for the year ended 31 March 2013 to approximately HK$108.0 million for the year ended 31 March 2014.

Our turnover derived from IT infrastructure solutions decreased by approximately 6.5% from approximately HK$53.7 million for the six months ended 30 September 2013 to approximately HK$50.2 million for the six months ended 30 September 2014. Such decrease was mainly due to the decrease in our turnover from general business enterprises of approximately HK$4.1 million. It was because one of our top five customers had a non-annual purchase cycle for IT infrastructure solutions and placed its order at different periods each year.

Revenue breakdown by geographical location

We derive our revenue from Hong Kong and the PRC. The following table sets out the revenue by geographical location for the periods indicated:

	Year ended 31 March						**Six months ended 30 September**			
	2012		**2013**		**2014**		**2013**		**2014**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
							(Unaudited)			
Hong Kong	211,386	95.8	191,589	97.7	189,984	100.0	94,654	100.0	88,715	100.0
PRC	9,301	4.2	4,563	2.3	—	—	—	—	—	—
	220,687	100.0	196,152	100.0	189,984	100.0	94,654	100.0	88,715	100.0

During the Track Record Period, the majority of our turnover was derived in Hong Kong which accounted for approximately 95.8%, 97.7%, 100.0% and 100.0% of our total turnover for the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, respectively. Our turnover derived in Hong Kong decreased by approximately 9.4% from HK$211.4 million for the year ended 31 March 2012 to approximately HK$191.6 million for the year ended 31 March 2013. Our turnover derived in Hong Kong decreased by approximately 0.8% from approximately HK$191.6 million for the year ended 31 March 2013 to approximately HK$190.0 million for the year ended 31 March 2014. Likewise, our turnover derived in Hong Kong decreased by approximately 6.3% from approximately HK$94.7 million for the six months ended 30 September 2013 to approximately HK$88.7 million for the six months ended 30 September 2014.

Our turnover derived in the PRC was derived from the provision of IT application and solution development and the provision of IT infrastructure solutions. The provision of IT application and solution development in the PRC accounted for approximately 31.4% and nil for the two years ended 31 March 2012 and 2013, respectively. The provision of IT infrastructure solutions in the PRC accounted for approximately 68.6% and 100.0% of our turnover derived in the PRC for the two years ended 31 March 2012 and 2013, respectively. Following the completion of the Disposal on 1 April 2013, we had no turnover derived from the provision of IT infrastructure solutions in the PRC for the year ended 31 March 2014.

Revenue breakdown by customers' industry sectors

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
							(Unaudited)			
Government and statutory bodies	13,086	5.9	19,798	10.1	14,441	7.6	10,214	10.8	2,157	2.4
Financial institutions	75,259	34.1	87,310	44.5	93,936	49.4	40,484	42.8	46,029	51.9
General business enterprises	132,342	60.0	89,044	45.4	81,607	43.0	43,956	46.4	40,529	45.7
	220,687	100.0	196,152	100.0	189,984	100.0	94,654	100.0	88,715	100.0

Our customers include institutions and corporations from a variety of sectors and multinational backgrounds. Our customers include government and statutory bodies, financial institutions and enterprises of various scales.

During the Track Record Period, the majority of our turnover was derived from financial institutions, mainly by provision of secondment services and IT infrastructure solutions, generating a turnover of approximately HK$75.3 million, HK$87.3 million, HK$93.9 million and HK$46.0 million for the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, respectively. Our turnover derived from financial institutions increased by approximately 16.0% from HK$75.3 million for the year ended 31 March 2012 to approximately HK$87.3 million for the year ended 31 March 2013, primarily due to the increase in turnover from IT infrastructure solutions of approximately HK$19.1 million from one of our top five customers for upgrading the banking system and was offset by the decrease in turnover from secondment services of approximately HK$3.7 million due to the decrease in number of secondment staff seconded to our customers resulting from the turnover of our secondment staff for the year ended 31 March 2013. Our turnover derived from financial institutions increased by approximately 7.6% from HK$87.3 million for the year ended 31 March 2013 to approximately HK$93.9 million for the year ended 31 March 2014 primarily due to the increase in turnover derived from IT infrastructure solutions of approximately HK$9.2 million following our Group's focus on expanding our portfolio to banks and was offset by the decrease in turnover derived from secondment services of approximately HK$3.1 million. Our turnover derived from financial institutions increased by approximately 13.7% from approximately HK$40.5 million for the six months ended 30 September 2013 to approximately HK$46.0 million for the six months ended 30 September 2014. The increase was primarily due to increase in our turnover from secondment services of approximately HK$4.2 million resulting from the increase in number of staff seconded to one of our top five customers to meet its increasing demand for secondment services.

Turnover derived from general business enterprises decreased by approximately 32.7% from approximately HK$132.3 million for the year ended 31 March 2012 to approximately HK$89.0 million for the year ended 31 March 2013. The decrease in turnover from general business enterprises was primarily due to the decrease in turnover from IT infrastructure solutions of approximately HK$18.1 million of one of the top five customers for the year ended 31 March 2013 decreasing purchase orders over its purchase cycle of IT infrastructure solutions and a decrease in number of IT application and solution development projects completed during the year ended 31 March 2013. Turnover derived from general business enterprises decreased by approximately 8.4% from approximately HK$89.0 million for the year ended 31 March 2013 to approximately HK$81.6 million for the year ended 31 March 2014. The decrease in turnover from general business enterprises was primarily due to the decrease in turnover derived from IT infrastructure solutions of approximately HK$6.8 million and the decrease in turnover derived from IT application and solution development of approximately HK$3.9 million resulting from the completion of some large major projects. Our turnover derived from general business enterprises decreased by approximately 7.8% from approximately HK$44.0 million for the six months ended 30 September 2013 to approximately HK$40.5 million for the six months ended 30 September 2014. The decrease was primarily due to the decrease in turnover from IT infrastructure solutions of approximately HK$4.1 million resulting from several long-term relationship customers decreasing purchase orders over their purchase cycle of IT infrastructure solutions.

Turnover derived from government and statutory bodies increased by approximately 51.3% from approximately HK$13.1 million for the year ended 31 March 2012 to approximately HK$19.8 million for the year ended 31 March 2013. The increase in turnover from government and statutory bodies was mainly attributable to the increase in turnover contributed by two major IT application and solution development projects during the year ended 31 March 2013. Turnover derived from government and statutory bodies decreased by approximately 27.1% from approximately HK$19.8 million for the year ended 31 March 2013 to approximately HK$14.4 million for the year ended 31 March 2014. The decrease in turnover from government and statutory bodies was mainly attributable to the decrease in turnover derived from IT infrastructure solutions and secondment services of approximately HK$2.7 million and HK$3.7 million respectively due to one of our major projects entered into the final stage during the year ended 31 March 2014. Our turnover derived from government and statutory bodies decreased by approximately 78.9% from approximately HK$10.2 million for the six months ended 30 September 2013 to approximately HK$2.2 million for the six months ended 30 September 2014. The decrease was primarily due to the decrease in our turnover from IT application and solution development of approximately HK$6.4 million and the decrease in our turnover from secondment services of approximately HK$1.5 million due to the fact that (i) our Group allocated additional numbers of technical staff in the preparation of the bidding for a government tender of Project A starting from December 2013, as referred in the Paragraph "Recent development subsequent to Track Record Period" in this section; and (ii) there were delays in the tender awarding process.

Cost of sales

Our cost of sales mainly comprised purchase of goods and services and direct labour cost. The table below sets out the breakdown of the major components of our cost of sales for the periods indicated:

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
							(Unaudited)			
Purchase of goods and services	105,998	61.6	94,787	62.9	92,918	61.6	46,190	61.2	40,025	58.9
Direct labour cost	61,481	35.7	58,673	38.9	57,353	38.0	28,950	38.4	27,660	40.7
Others	4,533	2.7	(2,668)	(1.8)	686	0.4	276	0.4	318	0.4
	172,012	100.0	150,792	100.0	150,957	100.0	75,416	100.0	68,003	100.0

The largest component of our cost of sales was purchase of goods and services mainly for our provision of IT application and solution development and IT infrastructure solutions, which amounted to approximately HK$106.0 million, HK$94.8 million, HK$92.9 million and HK$40.0 million, representing approximately 61.6%, 62.9%, 61.6% and 58.9% of our total cost of sales for the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, respectively. Direct labour cost mainly represented the salary, compensation and benefits offered to our staff. Others included provision for expected loss, business tax and other direct costs.

The following table sets out the direct labour cost by segments for the periods indicated:

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
							(Unaudited)			
IT application and solution development	18,889	30.7	15,770	26.9	11,481	20.0	6,291	21.7	4,268	15.4
Secondment services	32,293	52.5	30,103	51.3	29,339	51.2	14,635	50.5	14,263	51.6
Maintenance and support services	6,411	10.5	8,294	14.1	8,825	15.4	4,621	16.0	3,655	13.2
IT infrastructure solutions	3,888	6.3	4,506	7.7	7,708	13.4	3,403	11.8	5,474	19.8
	61,481	100.0	58,673	100.0	57,353	100.0	28,950	100.0	27,660	100.0

The direct labour cost in IT application and solution development decreased by HK$4.3 million from HK$15.8 million for the year ended 31 March 2013 to HK$11.5 million for the year ended 31 March 2014 due to the decrease in the revenue from IT application and solution development for the correspondence periods. The direct labour cost in IT infrastructure solution increased by HK$3.2 million for the year ended 31 March 2014 and HK$2.1 million for the six months ended 30 September 2014 as compared to the corresponding periods due to the additional costs resulted from the change in product mix from hardware product solutions to software product solutions.

The following table sets out the cost of sales by segments for the periods indicated:

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
					(Unaudited)					
IT application and solution development	24,871	14.5	16,275	10.8	11,221	7.5	6,465	8.6	4,401	6.5
Secondment services	33,391	19.4	30,894	20.5	29,955	19.8	15,049	20.0	14,384	21.1
Maintenance and support services	10,588	6.1	11,303	7.5	13,160	8.7	5,680	7.5	5,594	8.2
IT infrastructure solutions	103,162	60.0	92,320	61.2	96,621	64.0	48,222	63.9	43,624	64.2
	172,012	100.0	150,792	100.0	150,957	100.0	75,416	100.0	68,003	100.0

Gross profit and gross profit margin

The following table sets out the gross profit and gross profit margin by segments for each of the periods indicated:

	Year ended 31 March						Six months ended 30 September			
	2012		2013		2014		2013		2014	
		Gross profit margin		*Gross profit margin*		*Gross profit margin*		*Gross profit margin*		*Gross profit margin*
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
							(Unaudited)			
IT application and solution development	8,891	26.3	9,720	37.4	10,458	48.2	5,756	47.1	2,273	34.1
Secondment services	12,018	26.5	11,918	27.8	10,705	26.3	4,708	23.8	7,496	34.3
Maintenance and support services	6,366	37.5	7,522	40.0	6,454	32.9	3,248	36.4	4,339	43.7
IT infrastructure solutions	21,400	17.2	16,200	14.9	11,410	10.6	5,526	10.3	6,604	13.1
	48,675	22.1	45,360	23.1	39,027	20.5	19,238	20.3	20,712	23.3

Our gross profit decreased by approximately 6.8% from approximately HK$48.7 million for the year ended 31 March 2012 to approximately HK$45.4 million for the year ended 31 March 2013. This decrease was primarily due to the decrease in gross profit generated from IT infrastructure solutions by approximately 24.3% from approximately HK$21.4 million for the year ended 31 March 2012 to approximately HK$16.2 million for the year ended 31 March 2013 and was offset by the increase in gross profit generated from IT application and solution development and maintenance and support services of approximately HK$0.8 million and HK$1.2 million, respectively.

The gross profit margin of IT application and solution development increased from approximately 26.3% for the year ended 31 March 2012 to approximately 37.4% for the year ended 31 March 2013. The lower gross profit margin of IT application and solution development for the year ended 31 March 2012 was due to the provision for expected loss and other extra direct cost for subcontracting work incurred from a project for a multi-national client in general business enterprise segment undertaken by our Group during the year ended 31 March 2012.

The gross profit margin of secondment services remained stable at approximately 26.5% and 27.8% for the two years ended 31 March 2012 and 2013, respectively. The increase in gross profit margin of maintenance and support services from approximately 37.5% for the year ended 31 March 2012 to approximately 40.0% for the year ended 31 March 2013 was primarily due to higher premium charged for the renewal of maintenance contracts with government and statutory bodies and the fact that our Group entered into a high-premium-charged maintenance contract during the year ended 31 March 2013.

The gross profit margin of IT infrastructure solutions decreased from approximately 17.2% for the year ended 31 March 2012 to approximately 14.9% for the year ended 31 March 2013. The decrease in gross profit margin of IT infrastructure solutions was primarily due to the increase in direct labour cost for the provision of IT infrastructure solution projects resulted from the change in product mix from hardware product solutions to software product solutions. As the staff cost is relatively fixed in nature, the drop in the turnover had resulted in the drop of gross profit margin of IT infrastructure solutions.

Our gross profit decreased by approximately 14.0% from approximately HK$45.4 million for the year ended 31 March 2013 to approximately HK$39.0 million for the year ended 31 March 2014. This decrease was primarily due to the decrease in gross profit generated from IT infrastructure solutions by approximately 29.6% from approximately HK$16.2 million for the year ended 31 March 2013 to approximately HK$11.4 million for the year ended 31 March 2014.

The gross profit margin of IT application and solution development increased from approximately 37.4% for the year ended 31 March 2013 to approximately 48.2% for the year ended 31 March 2014. The increase in gross profit margin of IT application and solution development for the year ended 31 March 2014 was due to the decrease in the proportion of direct labour cost to revenue recognised resulting from the decrease in number of staff involved in certain projects during warranty periods.

The gross profit margin of secondment services remained stable at approximately 27.8% and 26.3% for the two years ended 31 March 2013 and 2014, respectively. The decrease in gross profit margin of maintenance and support services from approximately 40.0% for the year ended 31 March 2013 to approximately 32.9% for the year ended 31 March 2014 was primarily due to the completion of a high-premium-charged maintenance contract during the period.

The gross profit margin of IT infrastructure solutions decreased from approximately 14.9% for the year ended 31 March 2013 to approximately 10.6% for the year ended 31 March 2014. The decrease in gross profit margin of IT infrastructure solutions was primarily due to the increase in direct labour cost for the provision of IT infrastructure solution projects resulted from the change in product mix from hardware product solutions to software product solutions. As the staff cost is relatively fixed in nature, the drop in the turnover had resulted in the drop of gross profit margin of IT infrastructure solutions.

For the six months ended 30 September 2014, our gross profit increased by approximately 7.7% from HK$19.2 million for the six months ended 30 September 2013 to approximately HK$20.7 million. Such increase was due to the increase in gross profit generated from secondment services, maintenance and support services and IT infrastructure solutions of approximately HK$2.8 million, HK$1.1 million and HK$1.1 million, respectively and was offset by the decrease in gross profit of IT application and solution development of approximately HK$3.5 million.

Our gross profit margin increased from approximately 20.3% for the six months ended 30 September 2013 to approximately 23.3% for the six months ended 30 September 2014 primarily due to the increase in gross profit margins of secondment services and maintenance and support services from approximately 23.8% and 36.4% for the six months ended 30 September 2013 to approximately 34.3% and 43.7% for the six months ended 30 September 2014, respectively. The increase in gross profit margin of secondment services was primarily due to the increase in average cost charged by our seconded staff during the period. The increase in gross profit margin of maintenance and support services was mainly due to the increase in service charges of two major customers of maintenance and support services.

The decrease in gross profit margin of IT application and solution development services was primarily due to the pricing strategy for launching new line of IT application and solutions development services.

Other revenue

Other revenue mainly comprised bank interest income, marketing income and management fee income. The following table sets out the other revenue for each of the periods indicated:

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Bank interest income	12	47	16	14	1
Marketing income	18	562	328	197	293
Others	26	41	—	—	—
	56	650	344	211	294

For the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, we recorded other revenue of approximately HK$56,000, HK$650,000, HK$344,000 and HK$294,000. Marketing income represented subsidies from partners sponsoring our marketing events.

Other net income

Other net income mainly comprised net foreign exchange gain/(loss) and write back of allowance for impairment of amount due from a related company. The following table sets out other net income for each of the periods indicated:

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Net foreign exchange gain	184	200	139	244	121
Write-back of allowance for impairment of amount due from a related company	—	422	—	—	—
	184	622	139	244	121

Other net income amounted to approximately HK$184,000, HK$622,000, HK$139,000 and HK$121,000 for the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, respectively. Other net income increased from approximately HK$184,000 for the year ended 31 March 2012 to approximately HK$622,000 for the year ended 31 March 2013 primarily due to the other income of approximately HK$422,000 from write-back of allowance for impairment of amount due from a related company. Other net income decreased from approximately HK$244,000 for the six months ended 30 September 2013 to approximately HK$121,000 for the six months ended 30 September 2014 due to the fact that less foreign currency was held by us as at 30 September 2014.

General and administrative expenses

General and administrative expenses mainly comprised staff costs, rental expenses, office expenses, depreciation and amortisation, marketing and promotion expenses, professional service fees and listing expenses. The following table sets out the general and administrative expenses for each of the years/periods indicated:

	Year ended 31 March			**Six months ended 30 September**	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Staff costs	23,875	21,233	22,472	9,471	14,208
Rental expenses	2,427	2,382	2,127	1,139	1,068
Office expenses	1,030	1,045	951	497	598
Depreciation and amortisation	510	650	462	191	253
Marketing and promotion expenses	1,285	1,658	1,536	695	1,124
Professional service fees	561	627	1,215	160	(282)
Listing expenses	—	—	7,402	3,879	1,213
Others	676	1,158	762	630	293
	30,364	28,753	36,927	16,662	18,475

General and administrative expenses amounted to approximately HK$30.4 million, HK$28.8 million, HK$36.9 million and HK$18.5 million, representing approximately 13.8%, 14.7%, 19.4% and 20.8% of our total turnover for the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, respectively. Staff costs mainly represented the basic salary, social welfare contribution and year-end bonus paid to or provided for back office personnel and management teams. Office expenses mainly represented the general administrative expenses of office operations. Professional service fees were incurred for advices and services provided by various professional parties in relation to company secretarial services and accounting services. Our general and administrative expenses was increased by approximately HK$8.1 million from approximately HK$28.8 million for the year ended 31 March 2013 to approximately HK$36.9 million for the year ended 31 March 2014, which was primarily due to the listing expenses in the amount of approximately HK$7.4 million for the year ended 31 March 2014. Our Group incurred approximately nil, nil, HK$7.4 million and HK$1.2 million in relation to the Listing for the years ended 31 March 2012, 31 March 2013 and 31 March 2014 and the six months ended 30 September 2014, respectively. Based on the Placing Price of HK$0.35 per Share (being the mid-point of the proposed price range), it is estimated that an aggregate amount of approximately HK$19.2 million would be paid to the Underwriter and various professional parties as listing expenses. The listing expenses borne by our Company will be treated as follows: (i) approximately HK$4.8 million will be charged to profit or loss account for the year ending 31 March 2015, which will reduce the profit for the year ending 31 March 2015 correspondingly; and (ii) approximately HK$7.0 million will be accounted for as a deduction from our share premium account for the year ending 31 March 2015.

Finance cost

Finance cost primarily represented interest expenses on bank borrowings. For the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, our finance cost amounted to approximately HK$479,000, HK$362,000, HK$147,000 and HK$102,000, representing approximately 0.2%, 0.2%, 0.1% and 0.1% of our total turnover, respectively.

Income tax expenses

The following table sets out the breakdown of our income tax expenses for each of the periods indicated:

	Year ended 31 March			**Six months ended 30 September**	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Current income tax	1,843	3,529	1,727	1,223	640
Deferred taxation	47	(11)	79	—	—
	1,890	3,518	1,806	1,223	640

Income tax expenses for the year comprising current and deferred tax. Our Company and subsidiaries are incorporated in different jurisdictions with different taxation requirements. The statutory income tax rate of our Company and its subsidiaries registered in Hong Kong is 16.5%. Pursuant to the EIT Law, our PRC subsidiaries have been subject to the PRC's statutory income tax rate of 25%. Our effective tax rate was approximately 10.5%, 21.6% and 74.1% for the three years ended 31 March 2012, 2013 and 2014.

The difference between the effective tax rate and the statutory tax rate for the years ended 31 March 2013 and 2014 was primarily due to the effect of non-taxable income.

SIX MONTHS ENDED 30 SEPTEMBER 2014 COMPARED TO SIX MONTHS ENDED 30 SEPTEMBER 2013

Turnover

Our turnover decreased by approximately HK$5.9 million, or approximately 6.3% from approximately HK$94.7 million for the six months ended 30 September 2013 to approximately HK$88.7 million for the six months ended 30 September 2014. The decrease was mainly attributable to the decrease in turnover from IT application and solution development and IT infrastructure solutions of approximately HK$5.5 million and HK$3.5 million for the six months ended 30 September 2014, respectively and was offset by the increase in turnover from secondment services and maintenance and support services of approximately HK$2.1 million and HK$1.0 million, respectively.

IT application and solution development

Our turnover from the provision of IT application and solution development services decreased by approximately HK$5.5 million, or approximately 45.4% from approximately HK$12.2 million for the six months ended 30 September 2013 to approximately HK$6.7 million for the six months ended 30 September 2014. The decrease was mainly attributable to the decrease in our turnover from government and statutory bodies of approximately HK$6.4 million partially offset by the increase in turnover from general business enterprises and financial institutions of approximately HK$0.3 million and HK$0.6 million respectively.

Secondment services

Turnover from the provision of secondment services increased by approximately HK$2.1 million, or approximately 10.7% from approximately HK$19.8 million for the six months ended 30 September 2013 to approximately HK$21.9 million for the six months ended 30 September 2014. The increase was mainly attributable to the increase in our turnover from financial institutions of approximately HK$4.2 million. Such increase was due to the increase in the number of staff seconded to one of our top five customers to meet its increasing demand for secondment services.

Maintenance and support services

Our turnover from provision maintenance and support services increased by approximately HK$1.0 million, or approximately 11.3% from approximately HK$8.9 million for the six months ended 30 September 2013 to approximately HK$9.9 million for the six months ended 30 September 2014. The increase was mainly attributable to the increase in the number of maintenance and support contracts entered into during the six months ended 30 September 2014.

IT infrastructure solutions

Turnover from the provision of IT infrastructure solutions decreased by approximately HK$3.5 million, or approximately 6.5% from approximately HK$53.7 million for the six months ended 30 September 2013 to approximately HK$50.2 million for the six months ended 30 September 2014. The decrease was mainly attributable to the decrease in our turnover from general business enterprises of approximately HK$4.1 million. It was because one of our top five customers had a non-annual purchase cycle for IT infrastructure solutions and placed its orders at different periods each year.

Cost of sales

Our cost of sales decreased by approximately HK$7.4 million, or approximately 9.8% from approximately HK$75.4 million for the six months ended 30 September 2013 to approximately HK$68.0 million for the six months ended 30 September 2014. The decrease was mainly attributable to the decrease in purchase of goods and services of approximately HK$6.2 million which was mainly resulted from the decrease in turnover of IT infrastructure solutions.

Gross profit and gross profit margin

Our gross profit increased by approximately HK$1.5 million, or approximately 7.7% from approximately HK$19.2 million for the six months ended 30 September 2013 to approximately HK$20.7 million for the six months ended 30 September 2014. The increase was mainly attributable to the increase in gross profit generated from secondment services, maintenance and support services and IT infrastructure solutions of approximately HK$2.8 million, HK$1.1 million and HK$1.1 million respectively and was offset by the decrease in gross profit of IT application and solution development of approximately HK$3.5 million.

Our overall gross profit margin increased from approximately 20.3% for the six months ended 30 September 2013 to approximately 23.3% for the six months ended 30 September 2014. This was primarily due to the increase in gross profit margins of secondment services and maintenance and support services from approximately 23.8% and 36.4% for the six months ended 30 September 2013 to approximately 34.3% and 43.7% for the six months ended 30 September 2014, respectively. The increase in gross profit margin of secondment services for the six months ended 30 September 2014 was primarily due to the increase in average cost charged by our seconded staff during the period. The increase in gross profit margin of maintenance and support services was mainly due to the increase in service charges of two major customers of maintenance and support services.

Other revenue

Our other revenue increased by approximately HK$83,000, from approximately HK$211,000 for the six months ended 30 September 2013 to approximately HK$294,000 for the six months ended 30 September 2014. The increase was mainly attributable to the increase of approximately HK$96,000 in marketing fund provided by our suppliers for promoting their products.

Other net income

Other net income decreased by approximately HK$123,000, from other net income of approximately HK$244,000 for the six months ended 30 September 2013 to other net income of approximately HK$121,000 for the six months ended 30 September 2014. The decrease was mainly attributable to the decrease in net foreign exchange gain of approximately HK$123,000 for the six months ended 30 September 2014.

General and administrative expenses

Our general and administrative expenses increased by approximately HK$1.8 million, or approximately 10.9% from approximately HK$16.7 million for the six months ended 30 September 2013 to approximately HK$18.5 million for the six months ended 30 September 2014. The increase was mainly attributable to the increase in staff costs of approximately HK$4.7 million from approximately HK$9.5 million for the six months ended 30 September 2013 to approximately HK$14.2 million for the six months ended 30 September 2014. The increase in staff costs was because of the fact that our Group allocated additional number of technical staff in the preparation of the bidding for a government tender as referred in the paragraph "Recent development subsequent to the Track Record Period" in the section headed "Financial information" in this prospects.

Finance cost

Our finance cost remained stable and was approximately HK$83,000 and HK$102,000 for the six months ended 30 September 2013 and 2014, respectively.

Income tax

Income tax of our Group decreased by approximately HK$0.6 million, or approximately 47.7% from approximately HK$1.2 million for the six months ended 30 September 2013 to approximately HK$0.6 million for the six months ended 30 September 2014. The decrease was mainly attributable to decrease in non-tax deductible expenses during the six months ended 30 September 2014 as compared to the corresponding period in 2013.

Profit for the year

In light of the foregoing, our net profit increased by approximately HK$0.2 million, or approximately 10.7%, from approximately HK$1.7 million for the six months ended 30 September 2013 to approximately HK$1.9 million for the six months ended 30 September 2014. The change in net profit was mainly due to the increase in gross profit of approximately HK$1.5 million and the decrease in income tax expenses of approximately HK$0.6 million and was offset by the increase in general and administrative expenses of approximately HK$1.8 million.

YEAR ENDED 31 MARCH 2013 COMPARED TO YEAR ENDED 31 MARCH 2014

Turnover

Our turnover decreased by approximately HK$6.2 million, or approximately 3.1% from approximately HK$196.2 million for the year ended 31 March 2013 to approximately HK$190.0 million for the year ended 31 March 2014. The decrease was mainly attributable to the decrease in turnover from IT application and solution development and secondment services of approximately HK$4.3 million and HK$2.2 million for the year ended 31 March 2014, respectively.

IT application and solution development

Our turnover from provision of IT application and solution development decreased by approximately HK$4.3 million, or approximately 16.6% from approximately HK$26.0 million for the year ended 31 March 2013 to approximately HK$21.7 million for the year ended 31 March 2014. The decrease was mainly attributable to the projects for IT application and solution development during the year ended 31 March 2013 as they were still at their early stage and therefore less turnover was recognised throughout the year ended 31 March 2014.

Secondment services

Turnover from the provision of secondment services decreased by approximately HK$2.2 million, or approximately 5.0% from approximately HK$42.8 million for the year ended 31 March 2013 to approximately HK$40.7 million for the year ended 31 March 2014. The decrease was mainly attributable to the decrease in the provision of our secondment services to one of our top five customers resulting from our staff turnover of secondment service.

Maintenance and support services

Our turnover from provision maintenance and support services increased by approximately HK$0.8 million, or approximately 4.2% from approximately HK$18.8 million for the year ended 31 March 2013 to approximately HK$19.6 million for the year ended 31 March 2014. The increase was mainly attributable to the increase in premium charged for the renewal of maintenance and support contracts with government and statutory bodies.

IT infrastructure solutions

Turnover from the provision of IT infrastructure solutions remained stable at approximately HK$108.5 million and HK$108.0 million for the two years ended 31 March 2014.

Cost of sales

Despite our turnover decreased by approximately 3.1% for the year ended 31 March 2014 as compared to the year ended 31 March 2013, our cost of sales increased by approximately HK$0.2 million, or approximately 0.1% from approximately HK$150.8 million for the year ended 31 March 2013 to approximately HK$151.0 million for the year ended 31 March 2014. The lower cost of sales for the year ended 31 March 2013 was primarily due to the reversal of provision of expected loss which lowered the cost of sales by approximately HK$3.2 million.

Gross profit and gross profit margin

Our gross profit decreased by approximately HK$6.3 million, or approximately 14.0% from approximately HK$45.4 million for the year ended 31 March 2013 to approximately HK$39.0 million for the year ended 31 March 2014. The decrease was mainly attributable to the decrease in gross profit generated from IT infrastructure solutions, maintenance and support services and secondment services of approximately HK$4.8 million, HK$1.1 million and HK$1.2 million respectively. The decrease in gross profit of IT infrastructure solutions was primarily due to the drop in turnover of IT infrastructure solutions and the increase in direct labour cost primarily due to additional staff involved in certain IT infrastructure solution projects resulted from the change in product mix from hardware product solutions to software product solutions. Comparatively, the increase in gross profit of IT application and solution development was due to the decrease in purchase of goods and services. The decrease in gross profit margin of maintenance and support services for the year ended 31 March 2014 was primarily due to the completion of a high-premium-charged maintenance contract during the last correspondence period.

Our overall gross profit margin decreased from approximately 23.1% for the year ended 31 March 2013 to approximately 20.5% for the year ended 31 March 2014. This was primarily due to the decrease in gross profit margin of IT infrastructure solutions and maintenance and support services from approximately 14.9% and 40.0% for the year ended 31 March 2013 to approximately 10.6% and 32.9% for the year ended 31 March 2014, respectively.

Other revenue

Our other revenue decreased by approximately HK$306,000, from approximately HK$650,000 for the year ended 31 March 2013 to approximately HK$344,000 for the year ended 31 March 2014. The decrease was mainly attributable to the decrease in marketing income of approximately HK$234,000.

Other net income

Other net income decreased by approximately HK$483,000, from other net income of approximately HK$622,000 for the year ended 31 March 2013 to other net income of approximately HK$139,000 for the year ended 31 March 2014. The decrease was mainly attributable to the decrease in write-back of allowance for impairment of amount due from a related company of approximately HK$422,000 for the year ended 31 March 2014.

General and administrative expenses

Our general and administrative expenses increased by approximately HK$8.2 million, or approximately 28.4% from approximately HK$28.8 million for the year ended 31 March 2013 to approximately HK$36.9 million for the year ended 31 March 2014. The increase was mainly attributable to the listing expenses amounting to approximately HK$7.4 million incurred in relation to the Listing for the year ended 31 March 2014. There were no such expenses in the year ended 31 March 2013.

Finance cost

Our finance cost decreased by approximately HK$215,000, or approximately 59.4% from approximately HK$362,000 for the year ended 31 March 2013 to approximately HK$147,000 for the year ended 31 March 2014. The decrease was mainly attributable to the decrease in bank borrowings from approximately HK$4.4 million for the year ended 31 March 2013 to approximately HK$3.3 million for the year ended 31 March 2014.

Income tax

Income tax of our Group decreased by approximately HK$1.7 million, or approximately 48.7% from approximately HK$3.5 million for the year ended 31 March 2013 to approximately HK$1.8 million for the year ended 31 March 2014. The decrease was mainly attributable to the decrease in taxable profits earned during the year ended 31 March 2014.

Profit for the year

In light of the foregoing, our Group recorded a net profit of approximately HK$12.8 million and HK$0.6 million for the year ended 31 March 2013 and 2014 respectively. The decrease in net profit of approximately HK$12.2 million was mainly due to the decrease in the turnover of approximately HK$6.2 million, the increase in the general and administrative expenses of approximately HK$8.2 million of which approximately HK$7.4 million relates to the listing expense.

YEAR ENDED 31 MARCH 2013 COMPARED TO YEAR ENDED 31 MARCH 2012

Turnover

Our total turnover decreased by approximately HK$24.5 million, or approximately 11.1% from approximately HK$220.7 million for the year ended 31 March 2012 to approximately HK$196.2 million for the year ended 31 March 2013. The decrease was mainly attributable to the significant decrease in the turnover derived from IT infrastructure solutions by approximately 12.9% from approximately HK$124.6 million for the year ended 31 March 2012 to approximately HK$108.5 million for the year ended 31 March 2013 and the decrease in the turnover derived from IT application and solution development by approximately 23.0% from approximately HK$33.8 million for the year ended 31 March 2012 to approximately HK$26.0 million for the year ended 31 March 2013.

IT application and solution development

Our turnover from the provision of IT application and solution development decreased by approximately HK$7.8 million, or 23.0% from approximately HK$33.8 million for the year ended 31 March 2012 to approximately HK$26.0 million for the year ended 31 March 2013. The decrease was primarily due to the decrease in our turnover from the general business enterprises of approximately HK$13.2 million and the decrease in our turnover from financial institutions of approximately HK$2.4 million and was offset by the increase in our turnover from government and statutory bodies of approximately HK$7.8 million. Such decrease was primarily due to fewer IT application and solution development projects completed during the year ended 31 March 2012 as compared to the year ended 31 March 2013. Some large-scale projects from general business enterprises and financial institutions were completed in the second half of the year ended 31 March 2012 and new projects for IT application and solution development were started during the year ended 31 March 2013 that led to the decrease in the turnover recognised during the early stage of the development progress throughout the year ended 31 March 2013.

Secondment services

Our turnover from the provision of secondment services decreased by approximately HK$2.6 million, or 5.7% from approximately HK$45.4 million for the year ended 31 March 2012 to approximately HK$42.8 million for the year ended 31 March 2013. The decrease was primarily due to the decrease in the number of secondment staff resulting from the staff turnover of secondment services during the year ended 31 March 2013. There was a shortfall in suitable technical staff to fulfill customers' demand.

Maintenance and support services

Our turnover from the provision of maintenance and support services increased by approximately HK$1.9 million, or 11.0% from approximately HK$17.0 million for the year ended 31 March 2012 to approximately HK$18.8 million for the year ended 31 March 2013. The increase was primarily due to the newly entered maintenance and support services contracts with customers followed by the completion of IT application and solution development projects during the year ended 31 March 2012 and the renewal of maintenance contracts with government and statutory bodies.

IT infrastructure solutions

Turnover from the provision of IT infrastructure solutions decreased by approximately 12.9% from approximately HK$124.6 million for the year ended 31 March 2012 to approximately HK$108.5 million for the year ended 31 March 2013. The decrease was primarily due to the decrease in the turnover of approximately HK$34.8 million from general business enterprises and was partly offset by the increase in the turnover from financial institutions of approximately HK$17.3 million and the increase in the turnover from government and statutory bodies of approximately HK$1.5 million. The decrease in the turnover from general business enterprises was primarily due to the decrease in the turnover of approximately HK$18.1 million from one of the top five customers for the year ended 31 March 2013 resulting from its decreasing purchase orders over its purchase cycle of IT infrastructure.

Cost of sales

Our cost of sales decreased by approximately HK$21.2 million, or 12.3%, from approximately HK$172.0 million for the year ended 31 March 2012 to approximately HK$150.8 million for the year ended 31 March 2013. The decrease was primarily due to (i) the decrease in purchase of goods and services which was resulted from the decrease in the turnover of IT application and solution development and IT infrastructure solutions; (ii) the reversion of provision of expected loss; and (iii) the decrease in direct labour cost involved in projects of IT application and software development.

Gross profit and gross profit margin

Our gross profit decreased by approximately HK$3.3 million or 6.8%, from approximately HK$48.7 million for the year ended 31 March 2012 to approximately HK$45.4 million for the year ended 31 March 2013. The decrease was primarily due to the decrease in gross profit generated from IT infrastructure solutions by approximately 24.3% from approximately HK$21.4 million for the year ended 31 March 2012 to approximately HK$16.2 million for the year ended 31 March 2013 and was offset by the increase in gross profit generated from IT application and solution development and maintenance and support services of approximately HK$0.8 million and HK$1.2 million, respectively. The decrease in gross profit of IT infrastructure solutions was primarily due to the decrease in the turnover derived from this segment and the increase in direct labour cost of infrastructure team for the provision of IT infrastructure solutions. Comparatively, the increase in gross profit of IT application and solution development was due to the decrease in other direct cost and the expected loss which was incurred during the year ended 31 March 2012. The increase in gross profit of maintenance and support services was in line with the increase in our turnover and increase of the profit margin derived from this segment.

Our overall gross profit margin increased slightly from approximately 22.1% for the year ended 31 March 2012 to approximately 23.1% for the year ended 31 March 2013. This was primarily due to the increase in gross profit margin of IT application and solution development and maintenance and support services from approximately 26.3% and 37.5% for the year ended 31 March 2012 to approximately 37.4% and 40.0% for the year ended 31 March 2013, respectively and was partially offset by the decrease in gross profit margin of IT infrastructure solutions from approximately 17.2% for the year ended 31 March 2012 to approximately 14.9% for the year ended 31 March 2013.

The increase in gross profit margin of our IT application and solution development was attributable to the completion of an international project with the recovery of provision of expected loss during the year ended 31 March 2013 and the increase in gross profit margin of maintenance and support services was primarily due to the higher profit margin which was charged to the renewal of maintenance contracts with government and statutory bodies. The decrease in gross profit margin of IT infrastructure solutions was due to the increase in staff of our infrastructure teams for the provision of IT infrastructure solution projects due to the change in product mix from hardware product solutions to software product solutions.

Other revenue

Our other revenue increased by approximately HK$594,000 from approximately HK$56,000 for the year ended 31 March 2012 to approximately HK$650,000 for the year ended 31 March 2013.The increase was primarily due to the increase of marketing income of approximately HK$544,000 from marketing campaign sponsored by our suppliers.

Other net income/(loss)

Other net income increased by approximately HK$438,000 from approximately HK$184,000 for the year ended 31 March 2012 to approximately HK$622,000 for the year ended 31 March 2013 primarily due to the income of approximately HK$422,000 was written back of impairment of amount due from a related company.

General and administrative expenses

Our general and administrative expenses decreased by approximately HK$1.6 million from approximately HK$30.4 million for the year ended 31 March 2012 to approximately HK$28.8 million for the year ended 31 March 2013. The decrease in general and administrative expenses was mainly due to a decrease in staff costs from approximately HK$23.9 million for the year ended 31 March 2012 to approximately HK$21.2 million for the year ended 31 March 2013 as a result of the decrease in commission and bonus incurred in light of the decrease of our turnover.

Finance cost

Our finance cost decreased by approximately HK$117,000 from approximately HK$479,000 for the year ended 31 March 2012 to approximately HK$362,000 for the year ended 31 March 2013. This was primarily due to the decrease in bank borrowings from approximately HK$10.0 million as at 31 March 2012 to approximately HK$4.4 million as at 31 March 2013.

Income tax

Income tax of our Group increased by approximately 86.1% from approximately HK$1.9 million for the year ended 31 March 2012 to approximately HK$3.5 million for the year ended 31 March 2013. The increase in income tax was primarily due to the increase in taxable profit earned during the year ended 31 March 2013.

Profit for the year

In light of the foregoing, our profit for the year decreased from approximately HK$16.1 million for the year ended 31 March 2012 to HK$12.8 million for the year ended 31 March 2013. Net profit margin of our Group decreased from approximately 7.3% for the year ended 31 March 2012 to approximately 6.5% for the year ended 31 March 2013.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our principal sources of funds are to finance working capital, growth and expansion of our operations. Our principal sources of funds are cash generated from our operations and bank borrowings. Going forward, we expect these sources to continue to be our principal sources of liquidity, and we expect the net proceeds of the Placing to increase our liquidity. As at 31 March 2012, 31 March 2013, 31 March 2014 and 30 September 2014, we had cash and cash equivalents in the combined statements of cash flows of approximately HK$25.4 million, HK$21.6 million, HK$14.0 million and HK$18.4 million respectively.

Our working capital is critical to our financial performance. We must maintain sufficient liquidity and financial flexibility to continue our daily operations.

We may, however, need additional cash resources in the future if we experience changed business conditions or other development. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, and collaborations of other similar action. If our existing cash resources are insufficient to meet our requirement, we may seek to obtain credit facilities, or sell or issue equity securities, which might result in the dilution to the Shareholders. It is possible that, when we need additional cash resources, financing will only be available to us in amounts or on terms that would not be acceptable to us or financing will not be available at all, where our business and financial results may be adversely affected.

The following table sets out a summary of our Group's combined statements of cash flows for each of the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2013 and 2014:

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Net cash generated from/ (used in) operating activities	14,636	4,625	2,385	4,623	8,396
Net cash (used in)/ generated from investing activities	(4,347)	(184)	3,518	3,546	(194)
Net cash used in financing activities	(2,520)	(8,276)	(13,496)	(11,986)	(3,785)
Cash and cash equivalents at the beginning of the year/period	17,610	25,418	21,598	21,598	14,005
Effect on changes in foreign exchange rate	39	15	—	2	—
Cash and cash equivalents at the end of the year/period	25,418	21,598	14,005	17,783	18,422

Net cash generated from/used in operating activities

Our net cash generated from operating activities was approximately HK$14.6 million for the year ended 31 March 2012, which was primarily attributable to our operating cash flow before changes in working capital of approximately HK$18.9 million and was offset by a net decrease in working capital of approximately HK$2.6 million and income tax payment of approximately HK$1.7 million. Net decrease in working capital primarily consisted of an increase in trade and other receivable of approximately HK$8.8 million, primarily due to an increase in number of IT application and solution development projects, the effects of which were partially offset by (i) a decrease in inventory of approximately HK$0.2 million and (ii) an increase in trade and other payables of approximately HK$6.0 million due to our increase in purchase in light of the increase in our turnover.

Our net cash generated from operating activities was approximately HK$4.6 million for the year ended 31 March 2013, which was primarily attributable to our operating cash flow before changes in working capital of approximately HK$18.0 million and was offset by a net decrease in working capital of approximately HK$11.5 million and income tax payment of approximately HK$1.9 million. Net decrease in working capital primarily consisted of an increase in trade and other receivable of approximately HK$1.7 million due to an increase in the amount of unsettled bills from one of our top five customers during the year ended 31 March 2013 and a decrease in trade and other payables of approximately HK$9.8 million mainly due to a reduction in purchase in light of the decrease in our turnover of IT application and solution development and IT infrastructure solutions.

Our net cash generated from operating activities was approximately HK$2.4 million for the year ended 31 March 2014, which was primarily attributable to our operating cash flow before changes in working capital of approximately HK$3.0 million and net increase in working capital of approximately HK$4.1 million and was offset by income tax payment of approximately HK$4.7 million. Net increase in working capital primarily resulted from the decrease in trade and other receivables of approximately HK$1.9 million due to the decrease in our turnover for the year ended 31 March 2014, and the increase in trade and other payables of approximately HK$5.9 million due to more hardware and software were purchased on credits towards the end of the year ended 31 March 2014.

Our net cash generated from operating activities was approximately HK$8.4 million for the six months ended 30 September 2014, which was primarily attributable to our operating inflow before changes in working capital of approximately HK$2.8 million and net increase in working capital of approximately HK$6.4 million. Net increase in working capital primarily resulted from the increase in trade and other payables of approximately HK$8.1 million due to increase in trade creditors and was offset by the increase in trade and other receivables of approximately HK$1.6 million due to increase in prepayments.

Net cash generated from/used in investing activities

Our Group had net cash outflow in investing activities of approximately HK$4.3 million for the year ended 31 March 2012, which was primarily attributable to (i) a payment for purchase of plant and equipment of approximately HK$1.5 million, (ii) a payment for purchase of computer softwares of approximately HK$53,000, (iii) an increase in pledged bank deposits of approximately HK$2.9 million, partially offset by interest received of approximately HK$12,000.

Our Group had net cash outflow in investing activities of approximately HK$184,000 for the year ended 31 March 2013, which was primarily attributable to (i) a payment for purchase of plant and equipment of approximately HK$222,000, (ii) an increase in pledged bank deposits of approximately HK$9,000, partially offset by the interest received of approximately HK$47,000.

Our Group had net cash inflow in investing activities of approximately HK$3.5 million for the year ended 31 March 2014, which was primarily attributable to a decrease in pledged bank deposits of approximately HK$2.9 million, interest received of approximately HK$16,000 and cash inflow from the Disposal of approximately HK$775,000, partially offset by a payment for plant and equipment of approximately HK$166,000.

Our Group had net cash outflow investing activities of approximately HK$194,000 for the six months ended 30 September 2014, which was primarily attributable to a payment for plant and equipment of approximately HK$172,000 and a payment for purchase of intangible assets of approximately HK$23,000, partially offset by the interest received of approximately HK$1,000.

Net cash generated from/used in financing activities

Our Group had net cash outflow from financing activities of approximately HK$2.5 million for the year ended 31 March 2012, which was attributable to (i) the repayment of bank borrowings amounting to approximately HK$2.5 million; (ii) the interest payment of approximately HK$0.5 million; and (iii) the dividend payment of approximately HK$4.0 million, partially offset by a new bank borrowing of approximately HK$4.0 million and advance from related parties of approximately HK$0.5 million.

Our Group had net cash outflow from financing activities of approximately HK$8.3 million for the year ended 31 March 2013, which was attributable to (i) the repayment of bank borrowings amounting to approximately HK$5.5 million, (ii) the interest payment of approximately HK$0.4 million, (iii) dividend payment of approximately HK$5.3 million, and (iv) the repayment to related parties of approximately HK$63,000, and was offset by the proceeds from new bank loans of approximately HK$3.0 million.

Our Group had net cash outflow from financing activities of approximately HK$13.5 million for the year ended 31 March 2014, which was attributable to (i) the dividend payment of approximately HK$16.1 million, (ii) the repayment of bank borrowings amounting to approximately HK$5.0 million, (iii) the interest payment of approximately HK$0.1 million, (iv) the finance lease rentals payment of approximately HK$0.2 million, and was offset by the advance from related parties of approximately HK$4.0 million, and the proceeds from new bank loans of approximately HK$4.0 million.

Our Group had net cash outflow from financing activities of approximately HK$3.8 million for the six months ended 30 September 2014, which was mainly attributable to the repayment of bank borrowings amounting to approximately HK$2.0 million and the repayment to related parties of approximately HK$1.5 million.

NET CURRENT ASSETS

The table below sets forth our current assets and current liabilities as at the dates indicated:

	As at 31 March			As at 30 September	As at 31 January
	2012	2013	2014	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)
Current assets					
Trade and other receivables	43,506	44,898	46,783	48,435	94,221
Pledged bank deposits	2,889	2,898	—	—	—
Tax recoverable	—	—	1,100	1,573	—
Cash and cash equivalents	28,562	20,431	14,005	18,422	63,097
	74,957	68,227	61,888	68,430	157,318
Assets of disposal group classified as held for sale	—	1,530	—	—	—
	74,957	69,757	61,888	68,430	157,318
Current liabilities					
Bank borrowings	10,019	4,377	3,343	1,350	—
Trade and other payables	38,965	25,757	34,709	41,257	118,209
Obligation under finance lease	—	—	339	321	207
Current taxation	623	2,279	387	623	1,883
	49,607	32,413	38,778	43,551	120,299
Liabilities of disposal group classified as held for sale	—	1,749	—	—	—
	49,607	34,162	38,778	43,551	120,299
Net current assets	25,350	35,595	23,110	24,879	37,019

We recorded net current assets of approximately HK$25.4 million, HK$35.6 million, HK$23.1 million and HK$24.9 million as at 31 March 2012, 2013 and 2014 and 30 September 2014, respectively.

Our net current assets increased by approximately HK$10.2 million to approximately HK$35.6 million as at 31 March 2013 as compared with 31 March 2012 was primarily due to (i) the decrease in bank borrowings of approximately HK$5.6 million and (ii) the decrease of trade and other payables of approximately HK$13.2 million.

Our net current assets decreased by approximately HK$12.5 million from approximately HK$35.6 million as at 31 March 2013 to approximately HK$23.1 million as at 31 March 2014. The decrease was primarily attributable to the increase in trade and other payables of approximately HK$9.0 million, decrease in cash and cash equivalents of approximately HK$6.4 million and the decrease in pledged bank deposits of approximately HK$2.9 million partially offset by the increase in trade and other receivables of approximately HK$1.9 million and the decrease in bank borrowings of approximately HK$1.0 million.

Our net current assets increased by approximately HK$1.8 million from approximately HK$23.1 million as at 31 March 2014 to approximately HK$24.9 million as at 30 September 2014. The decrease was primarily attributable to the increase in trade and other receivables of approximately HK$1.7 million, the increase in cash and cash equivalents of approximately HK$4.4 million and the decrease in bank borrowings of approximately HK$2.0 million partially offset by the decrease in trade and other payables of approximately HK$6.5 million.

Our net current assets increased by approximately HK$12.1 million from approximately HK$24.9 million as at 30 September 2014 to approximately HK$37.0 million as at 31 January 2015. The increase was primarily due to the increase in trade and other receivables of approximately HK$45.8 million, the increase in cash and cash equivalents of approximately HK$44.7 million and the decrease in bank borrowings of approximately HK$1.4 million partially offset by the increase in trade and other payables of approximately HK$77.0 million. The increase in trade and other receivables was primarily due to the increase in trade debtors from PRC Partner of Project A. The increase in cash and cash equivalents was primarily due to the payment received from the PRC Partner. The increase in trade and other payables was primarily due to the increase in procurement of hardware and software products by our Group for the use in Project A.

ANALYSIS OF SELECTED ITEMS OF COMBINED STATEMENTS OF FINANCIAL POSITION

Trade and other receivables

The following table sets forth the breakdown of trade and other receivables as at the end of each reporting period:

	As at 31 March			As at 30 September
	2012	**2013**	**2014**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade debtors	28,073	31,258	38,608	38,223
Gross amounts due from customers for contract work	2,946	3,236	4,192	4,072
Amounts due from related parties	7,552	9,251	2,917	2,932
Rental and other deposits	759	633	729	711
Prepayments	4,176	520	312	2,472
Other receivables	—	—	25	25
	43,506	44,898	46,783	48,435

Our trade and other receivables increased from approximately HK$43.5 million as at 31 March 2012 to approximately HK$44.9 million as at 31 March 2013. The increase was primarily due to the increase in trade debtors of approximately HK$3.2 million and the increase in amounts due from related parties of approximately HK$1.7 million, which were offset by the decrease in prepayments of approximately HK$3.7 million. The increase in trade debtors of approximately HK$3.2 million was mainly due to the increase in amount of unsettled bills from one of our top five customers, which was subsequently settled while the decrease in prepayments was primarily due to the settlement of prepayment for purchase of hardware and software by our Group.

Our trade and other receivables increased from approximately HK$44.9 million as at 31 March 2013 to approximately HK$46.8 million as at 31 March 2014. The increase was primarily due to the increase in trade debtors of approximately HK$7.4 million and the increase in gross amounts due from our customers for contract work of approximately HK$1.0 million, which were offset by the decrease in amounts due from related parties of approximately HK$6.3 million. The increase in trade debtors of approximately HK$7.4 million was mainly due to the increase in amount of unsettled bills from one of our top five customers.

Our trade and other receivables increased from approximately HK$46.8 million as at 31 March 2014 to approximately HK$48.4 million as at 30 September 2014. The increase was primarily due to the increase in prepayments of approximately HK$2.2 million. The increase in prepayment was primarily due to the payment made to a supplier before delivering the IT products to an end customer.

Trade debtors

The following table sets forth the trade debtors turnover days (calculated as the average of beginning and ending trade debtors balances for the period divided by turnover for the period, multiplied by the number of the days in the period) for the periods indicated:

	Year ended 31 March			**Six months ended 30 September**
	2012	**2013**	**2014**	**2014**
	Days	*Days*	*Days*	*Days*
Trade debtors turnover days	40.3	55.2	67.1	79.2

Our trade debtors turnover days were approximately 40.3 days, 55.2 days, 67.1 days and 79.2 days for the three years ended 31 March 2012, 2013 and 2014 and for the six months ended 30 September 2014.

Our trade debtors turnover days increased from approximately 40.3 days for the year ended 31 March 2012 to approximately 55.2 days for the year ended 31 March 2013. The increase was primarily due to the increase in the amount of overdue invoices from one of our top five customers, which were subsequently settled. Our trade debtors turnover days increased from approximately 55.2 days for the year ended 31 March 2013 to approximately 67.1 days for the year ended 31 March 2014. The increase was primarily due to the increase in the amount of overdue invoices from one of our top five customers and our Group had granted extra 60 days credit period to the customer and the overdue invoices were subsequently settled and the decrease in our turnover for the year ended 31 March 2014. Our trade debtors turnover days increased to approximately 79.2 days for the six months ended 30 September 2014. The increase was primarily due to the increase in the amount of overdue invoices and the granting of extra 60 days credit period for overdue invoices due from certain customers which have long term and on-going business relationships with us.

The following table illustrates the ageing analysis of trade debtors that were neither individually nor collectively considered to be impaired:

	As at 31 March			As at 30 September
	2012	**2013**	**2014**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Neither past due nor impaired	25,711	25,607	27,416	32,754
Less than 1 month past due	1,552	1,876	5,848	708
1 to 3 months past due	798	506	3,084	2,249
Over 3 months past due	12	3,269	2,260	2,512
	28,073	31,258	38,608	38,223

Our trade debtors that were neither past due nor impaired were related to customers and debtors for whom there was no recent history of default. Based on the past experience of our Group, our Directors believe that trade debtors that are past due but not impaired are generally recoverable and no impairment allowance is necessary.

As at 31 January 2015, approximately HK$35.3 million of our total trade debtors as at 30 September 2014 had been subsequently settled, representing approximately 92.4% of the outstanding trade debtors as at 30 September 2014. During the Track Record Period, our Group has neither written down any trade debtors nor reduced the carrying amounts of any trade debtors through the use of allowance account.

Trade and other payables

The following table sets forth the breakdown of trade and other payables as at the end of each reporting period:

	As at 31 March			As at 30 September
	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade creditors	16,548	7,254	13,939	22,493
Gross amounts due to customers for contract work	1,506	1,660	—	669
Customers' deposits received	3,074	3,730	2,078	4,043
Deferred income	4,586	3,943	1,577	7,323
Accrued service costs	5,944	4,787	4,330	1,547
Other accrued expenses	2,150	2,205	7,779	1,699
Amounts due to related parties	4,850	1,773	4,781	3,258
Other taxes payables	307	180	—	—
Dividend payable to equity owners of our Company	—	225	225	225
	38,965	25,757	34,709	41,257

Our trade and other payables decreased from approximately HK$39.0 million as at 31 March 2012 to approximately HK$25.8 million as at 31 March 2013. The decrease was primarily due to the decrease in trade creditors of approximately HK$9.3 million, and the decrease in amounts due to related parties of approximately HK$3.1 million.

Our trade and other payables increased from approximately HK$25.8 million as at 31 March 2013 to approximately HK$34.7 million as at 31 March 2014. The increase was primarily due to the increase in trade creditors of approximately HK$6.7 million, the increase in other accrued expenses of approximately HK$5.6 million and the increase in amounts due to related parties of approximately HK$3.0 million.

Our trade creditors amounted to approximately HK$7.3 million and HK$13.9 million as at 31 March 2013 and 2014 respectively. The increase in trade creditors was mainly due to the increase in hardware and software purchased on credit towards the end of the year ended 31 March 2014. The increase in accrued expenses was primarily due to the decrease in our turnover of maintenance and support services which led to a decrease in accrued expenses. Our trade creditors increased to approximately HK$22.5 million as at 30 September 2014. The increase was primarily due to the purchase from a major supplier which was not yet due for settlement. Our amounts due to related parties decreased from approximately HK$4.8 million as at 31 March 2014 to approximately HK$3.3 million as at 30 September 2014 primarily due to the decrease in the amount due to a Director.

Our amounts due to related parties increased from approximately HK$1.8 million as at 31 March 2013 to approximately HK$4.8 million as at 31 March 2014 primarily due to the increase in dividend payable to non-controlling shareholders.

Trade creditors

The following table sets out the turnover day of trade creditors (calculated as the average of beginning and ending trade creditors balances due to all parties for the period, divided by cost of sales for the period, multiplied by the number of days in the period) for the period indicated:

	Year ended 31 March			Six months ended 30 September
	2012	**2013**	**2014**	**2014**
Trade creditors turnover day	25.5	28.8	25.6	49.0

Our trade creditors turnover days were approximately 25.5 days, 28.8 days, 25.6 days and 49.0 days for the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014 respectively. The decrease for the year ended 31 March 2014 was primarily due to the fact that our Group slightly accelerated our payment to creditors. Our trade creditors turnover days increased from approximately 25.6 days for the year ended 31 March 2014 to approximately 49.0 days for the six months ended 30 September 2014. The increase was primarily due to the fact that more purchases were made shortly before the cut-off date as of 30 September 2014 and that we fully utilised the credit periods granted by our suppliers. Our Directors confirm that our Group did not experience any material pressure on our cashflow during the six months ended 30 September 2014.

As at 31 January 2015, approximately HK$22.4 million of our total trade creditors as at 30 September 2014 had been subsequently settled, representing approximately 99.6% of the outstanding trade creditors as at 30 September 2014.

Amounts due to/from related parties

As at 30 September 2014, amounts due to related parties was approximately HK$3.3 million and amounts due from related parties was approximately HK$2.9 million. The outstanding balances are unsecured, interest free and have no fixed repayment terms.

Amounts due to/from related parties will be settled by internal resources before Listing.

INDEBTEDNESS

The following table sets out our indebtedness as at the end of each reporting period:

	As at 31 March			As at 30 September
	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank overdrafts				
— secured by ICO HK's bank deposit	41	—	—	—
— unsecured and guaranteed	3,103	18	—	—
Bank loans				
— secured by a fixed deposit provided by a Director of our Company	—	—	—	1,350
— unsecured and guaranteed	6,875	4,359	3,343	—
Obligation under finance lease				
— current portion	—	—	339	321
— non-current portion	—	—	149	—
Amounts due to related parties				
— Yong Man Kin	—	—	4,271	2,763
— Chan Kwok Pui	—	—	510	495
— Ho Chak Keung	1	1	—	—
— Leung Man Lun, Walter	754	—	—	—
— Intellectual Capital Outsourcing Limited	855	792	—	—
— Time Profit Group Limited	300	—	—	—
	11,929	5,170	8,612	4,929

As at 31 March 2012, 2013 and 2014 and 30 September 2014, our Group had outstanding indebtedness of approximately HK$11.9 million, HK$5.2 million, HK$8.6 million and HK$4.9 million respectively.

Certain of our banking facilities are subject to compliance with financial covenants. If we fail to comply with these covenants and are unable to rectify such non-compliance, the drawn down facilities may become repayable on demand at the request of the lenders.

As at 31 March 2012, ICO Technology failed to comply with the borrowing covenant of a loan facility in maintaining a tangible net worth of HK$5 million at all times after the distribution of dividends as at 31 March 2012 because our Directors inadvertently overlooked the borrowing covenant when considering the declaration of dividends. The Loan facility did not expressly stipulate that ICO Technology had to inform the bank of the breach. We did not inform the bank of the breach, nor did we receive any notices from the bank informing us they were aware of it. However, such breach had no significant financial impact on our Group's combined financial statements. In August 2012, the bank loan was fully repaid and the aggregate principal and interest cash outflow of such bank loan approximately amounted to HK$3,343,000 for the period from 1 April 2012 to the repayment date. We have adopted an internal control measure to ensure our compliance with our bank loan covenants in the future. Please refer to the section headed "Internal control" under "Business" of this prospectus for details.

As at 31 January 2015, being the latest practicable date for the purpose of this indebtedness statement in this prospectus, our Group had the following borrowings:

	As at 31 January 2015
	HK$'000
Obligation under finance lease — current portion	207
Amount due to related parties	2,073
	2,280

As at 31 January 2015, being the latest practicable date for the purpose of this indebtedness statement in this prospectus, our total indebtedness amounted to approximately HK$2.3 million, consisting of obligation under finance lease of approximately HK$0.2 million and amount due to related parties of approximately HK$2.1 million.

Our Group's banking facilities are secured by personal guarantee given by Controlling Shareholders and a fixed deposit provided by a Director of our Company. The guarantees will be released and will be replaced by guarantees from our Company before Listing. For further information, please see note 24 of "Notes to the Financial Information" in Appendix I to this prospectus.

Save as described in this section, as at 31 January 2015, our Group did not have any outstanding mortgages, charges, pledges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, acceptance liabilities, acceptance credits, any guarantees or other significant contingent liabilities.

KEY FINANCIAL RATIOS

	As at/for the year ended 31 March			As at/for the six months ended 30 September
	2012	2013	2014	2014
Current ratio	1.5	2.0	1.6	1.6
Quick ratio	1.5	2.0	1.6	1.6
Gearing ratio	36.9%	12.0%	15.9%	6.5%
Debt to equity ratio	N/A	N/A	N/A	N/A
Return on assets	21.0%	18.1%	1.0%	2.7%
Return on equity	59.4%	35.2%	2.6%	7.4%
Interest coverage	38.6	46.1	17.6	26.0

1. Current ratio is calculated based on the current assets divided by current liabilities.

2. Quick ratio is calculated based on the current assets less inventories, divided by current liabilities.

3. Gearing ratio is calculated based on the total interest-bearing debt divided by total equity multiplied by 100%.

4. Debt to equity ratio is calculated based on the total interest-bearing debt net of cash and cash equivalents divided by total equity.

5. Return on assets is calculated by the profit for the year divided by total assets multiplied by 100%.

6. Return on equity is calculated by the profit for the year divided by total equity multiplied by 100%.

7. Interest coverage is calculated by the profit before interest and tax divided by interest as at the relevant year end.

Current ratio

As at 31 March 2012, 31 March 2013 and 31 March 2014, our current ratio was approximately 1.5, 2.0 and 1.6 respectively. The increase in our current ratio as at 31 March 2013 was mainly due to the decrease in bank borrowings of approximately HK$5.6 million and the decrease in trade and other payables from approximately HK$39.0 million as at 31 March 2012 to approximately HK$25.8 million as at 31 March 2013. The decrease in our current ratio as at 31 March 2014 was mainly due to the decrease in cash and cash equivalents of approximately HK$6.4 million and the increase in trade and other payables from approximately HK$25.8 million as at 31 March 2013 to approximately HK$34.8 million as at 31 March 2014.

As at 30 September 2014, our current ratio remained stable at 1.6 as the increase in trade and other receivables of approximately HK$1.7 million and the increase in cash and cash equivalent of approximately HK$4.4 million were offset by the increase in trade and other payables of approximately HK$6.5 million.

Quick ratio

As at 31 March 2012, 31 March 2013, 31 March 2014 and 30 September 2014, our current ratio was approximately 1.5, 2.0, 1.6 and 1.6 respectively. As our Group does not have any inventory during the Track Record Period. The quick ratio of our Group is equal to its current ratio.

Gearing ratio

As at 31 March 2012, 31 March 2013, 31 March 2014 and 30 September 2014, our Group recorded a total interest-bearing debt of approximately HK$10.0 million, HK$4.4 million, HK$3.8 million and HK$1.7 million, respectively, which represented a gearing ratio of approximately 36.9%, 12.0%, 15.9% and 6.5% to the total equity of our Group respectively.

The decrease in gearing ratio as at 31 March 2013 as compared to 31 March 2012 was a result of our combination effects of the increase in our capital reserves of approximately HK$9.3 million and the decrease in bank borrowings of approximately HK$5.6 million. The increase in gearing ratio as at 31 March 2014 as compared to 31 March 2013 was a result of our decrease in our capital reserves of approximately HK$13.5 million.

The decrease in gearing ratio as at 30 September 2014 as compared to 31 March 2014 was a result of the decrease in our bank borrowings of approximately HK$2.0 million.

Return on assets

Return on assets for each of the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014 was approximately 21.0%, 18.1%, 1.0% and 2.7%, respectively.

The decrease in our return on assets for the year ended 31 March 2013 as compared with that for the year ended 31 March 2012 was primarily due to the rate of decrease in our net profit being larger than that of the decrease in our assets. For the year ended 31 March 2013, our net profit and total assets decreased by approximately 20.7% and 8.2% respectively as compared with that for the year ended 31 March 2012. The decrease in net profit was primarily due to the decrease in our turnover of approximately HK$24.5 million during the corresponding periods.

Our return on assets decreased to approximately 1.0% for the year ended 31 March 2014 primarily due to the decrease in our net profit by approximately 95.1% from approximately HK$12.8 million for the year ended 31 March 2013 to approximately HK$0.6 million for the year ended 31 March 2014. The decrease in our net profit was primarily due to the decrease in our turnover of approximately HK$6.2 million and the increase in general and administrative expenses of approximately HK$8.2 million, in which HK$7.4 million were expenses incurred in relation to the Listing.

Our return on assets increased to approximately 2.7% for the six months ended 30 September 2014 primarily due to an increase in net profit of approximately HK$1.3 million as compared with that for the year ended 31 March 2014, which outweighted the increase in total assets of approximately 10.3%. The increase in net profit was primarily due to the decrease in the listing expenses incurred as compared with that for the year ended 31 March 2014.

Return on equity

Return on equity was approximately 59.4%, 35.2%, 2.6% and 7.4% for each of the three years ended 31 March 2012, 2013 and 2014 the six months ended 30 September 2014 respectively.

The decrease of our return on equity for the year ended 31 March 2013 was primarily attributable to the decrease in our net profit of approximately 20.7% and the increase in our capital reserves of approximately HK$9.3 million as compared to the year ended 31 March 2012.

Our return on equity decreased to approximately 2.6% for the year ended 31 March 2014, primarily due to the significant decrease in our net profit as discussed above, which outweighted the decrease in our equity of approximately 33.9% subsequent to the declaration of dividend of approximately HK$15.2 million.

Our return on equity increased to approximately 7.4% for the six months ended 30 September 2014 primarily due to an increase in net profit of approximately HK$1.3 million as compared with that for the year ended 31 March 2014.

Interest coverage

Our Group's interest coverage was approximately 38.6, 46.1, 17.6 and 26.0 for the three years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014 respectively.

The increase in interest coverage for the year ended 31 March 2013 was primarily due to the decrease in bank borrowings of approximately HK$5.6 million during the year ended 31 March 2013 which reduced the finance cost. The decrease in interest coverage for the year ended 31 March 2014 was primarily due to the profit before interest and tax decreased at a faster rate than the interest expenses. The increase in interest coverage for the six months ended 30 September 2014 was primarily due to the decrease in finance cost resulting from the decrease in bank borrowings.

COMMITMENTS

Capital commitment

As at 31 March 2012, 2013 and 2014 and 30 September 2014, our Group had no material capital commitment.

Operating lease commitments

The table below sets forth our operating lease commitments as at 31 March 2012, 2013 and 2014 and 30 September 2014:

	As at 31 March			As at 30 September
	2012	**2013**	**2014**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 1 year	1,493	247	1,692	1,159

All of the operating lease commitment related to property leases.

WORKING CAPITAL

Our Directors are of the opinion that, taking into account the financial resources available to us, including internally generated funds, the available banking facilities and the estimated net proceeds of the Placing, our Group has sufficient working capital for our present requirements, that is for at least the next 12 months from the date of this prospectus.

OFF-BALANCE SHEET ARRANGEMENT

Other than as described above, we did not have any outstanding off-balance sheet guarantees, interest rate swap transactions, foreign currency and commodity forward contracts or other off-balance sheet arrangements. We do not engage in trading activities involving non-exchange traded contracts. In our ongoing business, we do not enter into transactions involving, or otherwise form relationships with, unconsolidated entities or financial partnerships that are established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

DISTRIBUTABLE RESERVES

Our Company was incorporated on 26 April 2013 and has not carried out any business since the date of our incorporation, save for the transactions related to the Reorganisation. Accordingly, there was no reserve available for distribution to our Shareholders as at 30 September 2014.

DIVIDENDS AND DIVIDEND POLICY

We do not have any pre-determined dividend distribution ratio. The declaration of future dividends will be subject to our Directors' decision and will depend on, among other things, our earnings, financial condition, cash requirements and availability, and any other factors that our Directors may consider relevant. Any final dividend for a financial year will be subject to our Shareholders' approval.

Dividends declared by our Group for each of the three years ended 31 March 2012, 2013 and 2014 were approximately HK$3.5 million, HK$3.6 million and HK$15.2 million respectively. On 26 February 2015, our Group declared a dividend of HK$9,980,000 to our existing Shareholders. As at the Latest Practicable Date, unpaid dividends amounted to approximately HK$10,205,000 which will be settled by internal resources before Listing.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, our Group did not have any material contingent liabilities.

PROPERTY INTERESTS

During the Track Record Period and up to the Latest Practicable Date, our Group had not owned any properties. For details related to the leased properties of our Group, please refer to the paragraph headed "Leased property" under the section headed "Business" in this prospectus.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISKS

Credit risk

Our Group's credit risk is primarily attributable to trade and other receivables, pledged bank deposits and cash at banks. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. For project contracts, our Group generally requires customers to settle billings in accordance with the contracted terms, whereas for sales of goods and provision of services, our Group generally requires customers to settle billings (a) immediately after the completion of related transactions or (b) in accordance with the contracted terms. Normally, our Group does not obtain collateral from customers.

Cash is deposited with financial institutions with sound credit ratings and our Group has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions will fail to meet their obligations.

The credit risk is also concentrated on amounts due from key personnel of our Group. In order to minimise the credit risk, the management of our Group closely monitors the exposure and reviews the recoverable amounts of such receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, our Directors consider that our Group's credit risk is significantly reduced.

Our Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when our Group has significant exposure to individual customers. As at 31 March 2012, 2013 and 2014 and 30 September 2014, approximately 16%, 12%, 15% and 15% of the trade debtors were due from our Group's largest customer, and approximately 53%, 64%, 55% and 49% of the trade debtors were due from our Group's five largest customers respectively. Our Group does not provide any guarantees which would expose our Group to credit risk.

Liquidity risk

Individual operating entities within our Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. Our Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Interest rate risk

The interest rate profile of our Group's interest-bearing financial instruments was:

	As at 31 March			As at 30 September
	2012	**2013**	**2014**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Variable rate instruments				
Financial liabilities				
Bank overdrafts	(3,144)	(18)	—	—
Bank loans	(6,875)	(4,359)	(3,343)	(1,350)
Financial assets				
Cash at banks	27,919	20,341	13,949	18,366
Pledged bank deposits	2,889	2,898	—	—
Total net deposits	20,789	18,862	10,606	17,016

As at 31 March 2012, 2013 and 2014 and 30 September 2014, it is estimated that a general increase/decrease of 10 basis points in interest rates for bank borrowings and cash at banks and pledged bank deposits, with all other variables held constant, would increase/decrease our Group's profit for the year/period and retained earnings by approximately HK$17,000, HK$16,000, HK$9,000 and HK$7,000, respectively.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of our Group is based on the combined net assets derived from the financial information of our Group as at 30 September 2014, as set out in Appendix I to this prospectus and adjusted as follows:

	Combined net tangible assets attributable to equity owners of our Company as at 30 September 2014	**Estimated net proceeds from the Placing**	**Unaudited pro forma adjusted combined net tangible assets attributable to the equity owners of our Company**	**Unaudited pro forma adjusted combined net tangible assets attributable to the equity owners of our Company per Share**
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*
Based on an Offer Price of HK$0.3 per Share	21,728	56,273	78,001	0.078
Based on an Offer Price of HK$0.4 per Share	21,728	80,273	102,001	0.102

Notes:

1. The combined net tangible assets attributable to equity owners of our Company as at 30 September 2014 are extracted from the Accountants' Report set forth in Appendix I to this prospectus, which is based on the combined net assets attributable to equity owners of our Company as at 30 September 2014 of approximately HK$21,763,000 with an adjustment for the intangible assets attributable to equity owners of our Company as at 30 September 2014 of approximately HK$35,000.

2. The estimated net proceeds from the Placing are based on the estimated Placing Prices of HK$0.3 per Share and HK$0.4 per Share respectively, after deduction of the estimated underwriting fees and other related expenses payable by our Company.

3. The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after the adjustments referred to Note (1) and (2) above and on the assumption that a total of 1,000,000,000 Shares are in issue immediately after completion of the Capitalisation Issue and the Placing.

4. The Company declared a dividend of HK$9,980,000 to its existing Shareholders which will be settled before the Listing. The above adjustment does not take into account this dividend. Taking into account the estimated net proceeds from the Placing at the Offer Price of HK$0.3 per Share and HK$0.4 per Share as well as the declared dividend of HK$9,980,000, the unaudited pro forma adjusted combined net tangible assets attributable to the equity owners of the Company per Share would have been approximately HK$0.068 and HK$0.092, respectively.

5. No adjustment has been made to reflect any operating results or other transactions of our Group entered into subsequent to 30 September 2014.

DISCLOSURE UNDER CHAPTER 17 OF GEM LISTING RULES

Save as disclosed above, our Directors confirmed that, as at the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

RECOGNITION OF REVENUE

With reference to HKFRS 15 which would require our Group to assess the revenue recognition policy in respect of the contracts with customers using two approaches to recognising revenue (i.e., at a point in time or over time), given that (1) all the existing contracts with customers signed by our Group in respect of IT application and solution development segment would be substantially completed on or before 31 March 2017 and (2) revenue recognition for IT infrastructure solutions, secondment services, maintenance and support services segments under HKFRS 15 would be consistent with the accounting policies already adopted by our Group, our Group concluded that the adoption of HKFRS 15 is unlikely to have a significant impact on our Group's results of operations and financial position.

For the appropriateness of splitting the contract into two distinct parts:

Our Group manages its businesses by the four reportable segments disclosed in this prospectus. As the contract of Project A explicitly splits the scope of work and total contract sum into IT application and solution development services and maintenance and support services, our Group is of the view that the two distinct parts of the project shall be treated as business in different reportable segments and shall be managed and accounted for separately.

For the contracts to be engaged in the future, our Group assessed that the impact of HKFRS 15 on revenue recognition for IT infrastructure solutions, secondment services, and maintenance and support services segments would be insignificant as the revenue recognition criteria for these segments under HKFRS 15 would be consistent with the accounting policies already adopted by our Group.

For IT application and solution development segment, the revenue from this segment is recognised using the percentage of completion method during the Track Record Period. Under HKFRS 15, revenue from this segment would be recognised upon the satisfaction of performance obligations and the establishment of a right to payment, which shall be identified in the contracts with customers upon the relevant standard becoming effective.

Our Group plans to implement the "five-step model" in the future as follows:

1. Identify the contract with the customers

Sales contracts signed between our Group and our customers will be identified as "Contracts with Customers".

2. Identify the performance obligations in the contract

Our Group will study our sales contracts and separate the products and services it sells into different performance obligations.

3. Determine the transaction price

In general, the total contract sum will be treated as the transaction price.

4. Allocate the transaction price to the performance obligations

The transaction price determined in step 3 will be allocated to the performance obligations identified in step 2 on a reasonable basis (e.g. allocation based on the cost to satisfy the performance obligations).

5. Recognised revenue when (or as) the entity satisfies a performance obligation

Revenue will be recognised when a performance obligation is satisfied, the amount revenue recognised will be the amount allocated to such performance obligation in accordance with in step 4.

For the possible impact of HKFRS 15 on our Group, please refer to Note 26 of the Accountant's Report.

MATERIAL ADVERSE CHANGE

Please refer to the listing expenses incurred or to be incurred as set out under the paragraph headed "Impact on our financial results due to expenses incurred in relation to the Listing" in this section.

Save for the above, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since 30 September 2014, being the date to which our latest audited financial statements were prepared, and up to the date of this prospectus.

Impact on our financial results due to expenses incurred in relation to the Listing

Our Directors estimate that the listing expenses are approximately HK$19.2 million, of which approximately HK$4.8 million is chargeable to profit or loss account and approximately HK$7.0 million will be charged to equity upon Listing during the year ending 31 March 2015.

RECENT DEVELOPMENT SUBSEQUENT TO TRACK RECORD PERIOD

The following is a summary of our selected unaudited financial information for the nine months ended 31 December 2014, which was reviewed by the Reporting Accountants in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Based on the unaudited management accounts of our Group for the nine months ended 31 December 2014, our turnover increased by approximately 105.7% from approximately HK$130.8 million for the nine months ended 31 December 2013 to approximately HK$269.0 million for the nine months ended 31 December 2014.

Our Directors confirm that we did not have any material non-recurring income or expenses for the nine months ended 31 December 2014 save for expenses incurred in relation to the Listing. As at Latest Practicable Date, approximately 92.4% of outstanding trade debtors as at 30 September 2014 have been subsequently settled. As at the Latest Practicable Date, our Group has no bank borrowings and the unutilised banking facilities amounted to approximately HK$5.1 million.

As at the Latest Practicable Date, our Group had a total of 12 IT application and solution development projects on hand (including projects that have commenced but not yet completed as well as projects that have been awarded to us but not yet commenced). The total contract value of these projects (including Project A) was approximately HK$443.7 million. From 1 April 2014 and up to the Latest Practicable Date, we have been awarded six IT application and solution development projects with contract sum of over HK$1 million. The six contracts have a total contract sum of approximately HK$431 million, of which five contracts were awarded with the end customers being government bodies and the total contract sum is approximately HK$429 million, and one contract was awarded by an existing client from the private sector. The duration of these six projects ranged from 8 to 40 months (including warranty period). The total unrecognised revenue of these six projects was approximately HK$286 million as at 31 January 2015. As at the Latest Practicable Date, we have commenced work for these six projects.

Project A

Our Group partnered with the PRC Partner and submitted a tender for Project A in February 2014. We had gone through several milestones including technical assessment, price assessment, financial capability assessment and negotiations before the award of Project A in November 2014. The PRC Partner is the main contractor under Project A and our Group is the sole subcontractor under Project A.

The Main Contract became effective following the fulfilment of all the conditions specified in the notification of conditional acceptance. The Main Contract incorporates, among others, the relevant schedules of the tender document, including the schedule which appointed our Group as the subcontractor. Our Group has commenced work on Project A as at the Last Practical Date. The duration for the provision of IT application and solution development services is expected to be about 40 months (including a warranty period of 12 months) and the provision of maintenance services is for a period of nine years.

Based on the subcontractor contract between the PRC Partner and us, the total subcontracting revenue to be recognised by our Group under Project A is expected to be over HK$900 million. Our Group is experienced in delivering IT application and solution development projects of various scales and nature including projects for the government of HKSAR. During the tendering process, we were scrutinised by the government in respect of our technical and financial capabilities. Due to the foreseeable demand for additional manpower for Project A, we have already increased the scale of recruitment in the second quarter of 2014. We have recruited an additional 34 full-time staff from 1 April 2014 to 30 November 2014, and will continue to recruit additional staff, mainly with technical knowledge, according to the estimated human resources plan. To the best knowledge of our Directors, the PRC Partner, together with us, was the only tenderer at the later stage of the tender process. Therefore, our Directors considered that we had a high chance of winning. We therefore began recruiting additional staff before Project A was awarded as we had to meet the agreed schedule and had to have enough manpower to kick off the project immediately upon the award. Such early recruitment was not requested by the government. Should we not begin the recruitment process ahead of the award, we would not be able to meet the manpower demand. Our Directors opine that this kind of arrangement is in line with the industry norm. Had the tender not been awarded, the surplus staff, if any, would be disposed of through (i) natural wastage; (ii) internal redeployment of staff to other IT application and solution development projects or other business segments; and (iii) dismissal upon the expiry of the relevant employment agreements.

Apart from the committed human resources, our Group did not make or enter into any commitment on the financial resources under both the Main Contract and the subcontractor contract in relation to Project A.

We are experienced in delivering IT application and solution development projects of various scales and nature including projects for the government of HKSAR. However, Project A is the largest project we have undertaken in terms of contract value since we commence our business.

We are not required to pay any deposits to our suppliers. The purchase amount will only have to be paid upon product delivery and the suppliers will grant a credit period to us. The products will be delivered by the suppliers to the PRC Partner directly. The PRC Partner will then inspect the products and will pay to us the purchase sum under the purchase order within the credit period we granted to the PRC Partner. In order to minimise the financial impact on our cashflow, we shall match the term of payment by granting the PRC Partner a shorter credit period than the one granted to us by the suppliers. We shall pay to the suppliers once we receive the payment from the PRC Partner. In case there is any default or lapse of payment by the PRC Partner, the cash flow position of our Group during the years ending 31 March 2015, 2016 and 2017 may be adversely affected. Based on the projected human resources commitment and workload of Project A, our Directors consider that the current business of our Group will not be prejudiced and that our Group will have sufficient resources and capacities to deliver the services under Project A without having any material impact on our Group's overall business.

Our Group has commenced work on Project A since November 2014. We expect to record approximately 15%, 21% and 6% of the subcontracting revenue for the years ending 31 March 2015, 2016 and 2017. Our progress of work under Project A was in accordance with the schedule and timeline as at the Latest Practicable Date. For further details regarding the financial implication of Project A, please refer to the paragraph headed "Financial implication of Project A" under the section headed "Financial information" in this prospectus. An unaudited revenue of approximately HK$96.9 million was derived from Project A up to 31 December 2014 and was fully settled as at the Latest Practicable Date.

FINANCIAL IMPLICATION OF PROJECT A

Impact on revenue

Our Group's revenue is expected to be increased which is attributed to the IT application and solution development segment from Project A which makes the segment the larger proportion of revenue for our Group. For the years ending 31 March 2015, 2016 and 2017, it is expected that the proportion of turnover derived from the provision of IT application and solution development to total turnover will increase and as a result the IT application and solution development segment will become the key revenue driver of our Group during the periods.

The turnover generated from the provision of maintenance services from Project A will be recognised during the years ending 31 March 2019 to 31 March 2027. The revenue derived from the provision of maintenance and support services in proportion to total turnover will increase.

Impact on gross profit margin

Based on the existing resources planning, the estimated gross profit margins of Project A is about 20%, which is projected to be lower than the historical average gross profit margin of both the IT application and solution development segment and the maintenance and support segment during the Track Record Period. Project A has a lower profit margin because we adopted a competitive pricing strategy during the tendering process as we were eager to win the tender. Further, a large portion of IT application and solution development services under Project A is to procure IT products provided by third parties and thus we are unable to charge a high premium. We also estimate that the gross profit margin of the maintenance and support segment will be higher than that of the IT application and solution development segment. The projection in gross profit margin of the IT application and solution development segment for the years ending 31 March 2015, 2016 and 2017 will decrease as compared to the Track Record Period. Although our overall gross profit may increase, the gross profit margin of our Group will decrease during the periods.

During the year ending 31 March 2019 to 31 March 2027, the revenue derived from maintenance services for Project A is expected to be the major source of revenue for the segment of maintenance and support services. There will be an expected decrease in the gross profit margin of the maintenance and support services segment during the years ending 31 March 2019 to 2027 as compared to that of the Track Record Period.

It is our strategy to be more conservative in the estimation of our gross profit margin in submission of our tender in order to retain buffer from the cost negotiation. Therefore the estimated gross profit margin may be varied from the actual one subject to the final and actual performance and resources applied. During the Track Record Period, we have experienced the actual gross profit margin being more competitive than the estimated gross profit margin.

Our Directors believe that the participating in Project A would add value to our Group's competitive edge which would assist our Group in acquiring new customers and diversifying our customer base. We will continue to look for new business opportunities with other potential customers so as to minimise the impact of our reliance on the PRC Partner under Project A.

Our Directors confirm that (i) there has been no material adverse change in the general economic and market conditions, legal, the industry and the operating environment in which our Group operates that materially and adversely affected our Group's financial or operating position since 30 September 2014 and up to the date of this prospectus, (ii) there has been no other material adverse change in the trading and financial positions or prospects of our Group since 30 September 2014 and up to the date of this prospectus, and (iii) no event has occurred since 30 September 2014 that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

SOLE LEAD MANAGER AND UNDERWRITER

Quam Securities Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Underwriting Agreement

Pursuant to the Underwriting Agreement, our Company has agreed to offer the Placing Shares for subscription at the Placing Price under the Placing. The Underwriter has agreed, subject to the terms and conditions of this prospectus and the Underwriting Agreement, to procure subscribers to subscribe for, or failing which they shall subscribe for, the Placing Shares.

The Underwriting Agreement is subject to, among other conditions, the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may fall to be issued pursuant to the Capitalisation Issue), and such listing and permission not subsequently being revoked prior to the Listing Date, and the Offer Price having been duly fixed on the Price Determination Date.

Grounds for termination

The obligations of the Underwriter to underwrite the Placing are subject to termination by the Sole Lead Manager (for itself and on behalf of the Underwriter) at its absolute discretion by notice in writing given to our Company at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date ("Termination Time") if prior to the Termination Time, there comes to the notice of the Sole Lead Manager or the Underwriter:

(a) any new law or regulation comes into force, or there is any change in existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority, which in the sole opinion of the Sole Lead Manager (for itself and on behalf of the Underwriter) has or could reasonably be expected to have a material adverse effect on the business or financial conditions or prospects of our Group taken as a whole or to the success of the Placing or the distribution of the Placing Shares; or

(b) any material change (including any event or series of events concerning or relating to or otherwise having an effect on) in the PRC, Hong Kong, BVI, the Cayman Islands, Asia, national, regional or international financial, political, military, industrial, fiscal, legal, regulatory, economic or market conditions, currency exchange rates or exchange controls, stock or other financial market conditions, prospects, circumstances or matters; or

(c) any material change in the conditions of Hong Kong or international securities markets (or in conditions affecting a sector only of such markets) including, for the avoidance of doubt, any significant adverse change in the index level or value of turnover of any such markets; or

(d) without prejudice to (b), (c) and (e) referred to in this sub-paragraph, there is imposed any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstance or otherwise, or minimum prices having been established for securities traded thereon; or

(e) without prejudice to (b), (c) and (d) referred to above, a general banking moratorium is declared by Hong Kong or PRC authorities; or

(f) a material change in the system under which the value of the Hong Kong currency is linked to that of the currency of the US; or

(g) a material change in the exchange rate between the US dollar, the Hong Kong dollar or Renminbi; or

(h) a material change or development involving a prospective change in taxation or exchange controls in Hong Kong, BVI, the PRC or the Cayman Islands which will or might in the sole opinion of the Sole Lead Manager (for itself and on behalf of the Underwriter) materially and adversely affect the business or financial condition or prospect of our Group as a whole or the present or prospective shareholders of our Company in their capacity as such to the success of the Placing or the distribution of the Placing Shares; or

(i) any material investigation or litigation or claim being threatened or instituted against any Director or member of our Group; or

(j) any event or series of events (including, but without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lockout) which, in the sole opinion of the Sole Lead Manager (for itself and on behalf of the Underwriter), has or is likely to have a material adverse effect on the success of, or makes it inadvisable or inexpedient to proceed with, the Placing; or

(k) the Sole Lead Manager or the Underwriter becomes aware, or has reasonable cause to believe that:

  (i) any statement contained in this prospectus and certain other documents in relation to the Placing was, when any of such documents was issued, or has become untrue, incorrect or misleading in any material respect; or

  (ii) any matter has arisen or has been discovered or alleged which would, had it arisen or been discovered or alleged immediately before the date of this prospectus, constitute an omission therefrom considered by the Sole Lead Manager (for itself and on behalf of the Underwriter) to be material in the context of the Placing or the Listing; or

  (iii) there has occurred any breach, considered by the Sole Lead Manager to be material in the context of the Placing or the Listing, or any of the obligations and provisions, representations and warranties (save for those from the Sole Lead Manager and/or the Underwriter) contained in the Underwriting Agreement; or

  (iv) there has occurred any event, act or omission which gives or is likely to give rise to any material liability of any of our Company, our Directors and the Controlling Shareholders pursuant to the warranties or indemnities given in the Underwriting Agreement; or

(v) there has occurred any adverse change in the business or in the financial or trading positions or prospects of any member of our Group or any of its principal customers, suppliers or partners which in the sole opinion of the Sole Lead Manager (for itself and on behalf of the Underwriter) is material in the Placing and the Listing;

which in each case or in aggregate in the absolute opinion of the Sponsor and/or the Sole Lead Manager (for itself and on behalf of the Underwriter):

(i) is or may or will be or is likely to be adverse to or may prejudicially affect the general affairs, management, business, financial, trading or other condition or prospects of our Group (as a whole) or any member of our Group or to any present or prospective Shareholder in his, her or its capacity; or

(ii) has or may or will have or is likely to have an adverse effect on the success, marketability or pricing of the Placing or the level of applications in the Placing or the level of interest under the Placing; or

(iii) makes or may or will make it inadvisable, inexpedient or impracticable to proceed with or to market the Placing or the delivery of the Placing Shares on the terms and in the manner contemplated by any of the documents in connection with the Placing; or

(iv) has or will have the effect of making the whole or any part of the Underwriting Agreement incapable of implementation or performance in accordance with its terms and in the manner contemplated by any of the documents in connection with the Placing and the Underwriting Agreement which prevents the processing of applications and/or payments pursuant to the Placing or pursuant to the underwriting.

Undertakings

Each of the Controlling Shareholders has undertaken to and covenanted with our Company, the Stock Exchange, the Sponsor and the Sole Lead Manager (for itself and on behalf of the Underwriter) that, without the prior written consent of the Sponsor and the Sole Lead Manager (for itself and on behalf of the Underwriter) and unless in compliance with the requirements of the GEM Listing Rules, he/it shall not, and will procure that the relevant registered holder(s) of the Shares not to:

(a) at any time during the period commencing on the date by reference to which disclosure of his/its shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date (the "First Six-month Period"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares and securities of our Company in respect of which he/it is shown by this prospectus to be the beneficial owner (whether direct or indirect) (the "Relevant Shares"); and

(b) at any time during the period of six months commencing on the date immediately following the date on which the First Six-month Period expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Relevant Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, the Controlling Shareholders, either individually or taken together with the other of them, would cease to be a controlling shareholder (as defined under the GEM Listing Rules) of our Company.

Each of the Controlling Shareholders has undertaken to and covenanted with our Company, the Stock Exchange, the Sponsor, the Sole Lead Manager (for itself and on behalf of the Underwriter) that:

(a) in the event that he/it pledges or charges any of his/its direct or indirect interest in the Relevant Shares under the circumstances set out in Rule 13.18(1) of the GEM Listing Rules or pursuant to any right, approval or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules, he/it must inform our Company, the Sponsor, the Sole Lead Manager and the Stock Exchange immediately thereafter, disclosing the details as specified in Rule 17.43(1) to (4) of the GEM Listing Rules; and

(b) having pledged or charged any of his/its interests in the Relevant Shares under sub-paragraph (a) above, he/it must inform our Company, the Sponsor, the Sole Lead Manager and the Stock Exchange immediately in the event that he/it becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and of the number of the Relevant Shares so affected.

Our Company will inform the Stock Exchange as soon as our Company has been informed of the above matters by any of the Controlling Shareholders and disclose such matters by way of announcement in accordance with Rule 17.43 of the GEM Listing Rules as soon as possible after being so informed by any of the Controlling Shareholders.

Our Company undertakes to and covenants with the Sponsor, the Sole Lead Manager and the Underwriter that, and each of the Controlling Shareholders and the executive Directors undertakes and covenants with the Sponsor, the Sole Lead Manager and the Underwriter to procure that, without the prior written consent of the Sponsor and the Sole Lead Manager (for itself and on behalf of the Underwriter), our Company will not, save pursuant to the Placing or the issue of Shares pursuant to the Capitalisation Issue, within the First Six-month Period:

(a) save as permitted under the GEM Listing Rules (including but not limited to Rule 17.29 of the GEM Listing Rules) and the applicable laws, offer, allot or issue or agree to allot or issue any Shares or any other securities of our Company or grant or agree to grant any options, warrants or other rights carrying the rights to subscribe for, or otherwise convert into, or exchange for, any Shares or any other securities of our Company; and

(b) purchase any Shares or any other securities of our Company.

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange that he/it shall not and shall procure that the relevant registered holder(s) shall not:

(a) in the period commencing on the date of this prospectus and ending on the date which is six months from the Listing Date dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which he/it is shown by this prospectus to be the beneficial owner;

or

(b) in the period of six months commencing on the date on which the period referred to in (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances he/it would cease to be a controlling shareholder (as defined in the GEM Listing Rules) of our Company.

Commissions, fees and expenses

The Underwriter will receive a commission of 3% of the aggregate Placing Price of all the Placing Shares, out of which the Underwriter may pay any sub-underwriting commissions and placing commission in connection with the Placing. The Sponsor will also receive a advisory fee and documentation fee. The underwriting commission, together with the Stock Exchange listing fees, the Stock Exchange trading fees, the SFC transaction levy, advisory fee, documentation fee, legal and other professional fees, printing and other expenses relating to the Placing are currently estimated to be approximately HK$19.2 million in aggregate, which will be payable by our Company.

UNDERWRITER'S INTERESTS IN OUR COMPANY

Save for its obligation under the Underwriting Agreement as disclosed in this prospectus, the Underwriter has no shareholding interest in our Group or the right (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any member of our Group.

SOLE SPONSOR'S INTEREST AND INDEPENDENCE

Save as disclosed in this prospectus, and for advisory and documentation fee paid and to be paid to New Spring Capital Limited as the Sponsor in connection with the Listing and as our compliance adviser with effect from the Listing Date, New Spring Capital Limited nor any of its close associates has or may, as a result of the Listing and the Placing, have any interest in any class of securities of our Company or any other members of our Group (including options or rights to subscribe for such securities).

No director or employee of New Spring Capital who is involved in providing advice to our Company has or, as a result of the Listing and/or the Placing, may have any interest in any class of securities of our Company or any other members of our Group (including options or rights to subscribe for such securities). No director or employee of New Spring Capital has any directorship in our Company or any other members of our Group.

The Sponsor satisfies the independence criteria applicable to sponsors as set forth in Rule 6A.07 of the GEM Listing Rules.

PLACING PRICE

The Placing Price will not be more than HK$0.4 per Placing Share (and expected to be not less than HK$0.3 per Placing Share) plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.0027% transaction levy imposed by the SFC. Assuming the Placing Price of HK$0.4 or HK$0.3 per Share (being the highest and lowest prices of indicative Placing Price range respectively), investors shall pay HK$3,232.25 and HK$2,424.18 for every board lot of 8,000 Shares.

The Placing Price will be fixed by an agreement expected to be entered into between our Company and the Lead Manager on the Price Determination Date which is scheduled on or about Wednesday, 11 March 2015 (or such later time or date as agreed between our Company and the Lead Manager (for itself and on behalf of the Underwriter)). If our Company and the Lead Manager (for itself and on behalf of the Underwriter) are unable to reach an agreement on the Placing Price on the Price Determination Date, or such later date or time as agreed between our Company and the Lead Manager, the Placing will not become unconditional and will lapse.

Prospective investors of the Placing Shares should be aware that the Placing Price to be determined on the Price Determination Date may be, but is currently not expected to be, lower than the indicative range of the Placing Price stated in this prospectus.

If, the Lead Manager and with the consent of our Company, considers it appropriate (for instance, if the level of interest is below the indicative Placing Price range), the indicative Placing Price range may be reduced below that stated in this prospectus at any time prior to the Price Determination Date. In such a case, our Company shall, as soon as practicable following the decision to make such reduction cause to be published on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ico.com.hk** notice of the reduction of the indicative Placing Price range.

The level of indications of interests in the Placing and the basis of allocations of the Placing Shares will be announced on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ico.com.hk** at or before 9:00 a.m. on Tuesday, 17 March 2015.

CONDITIONS OF THE PLACING

The Placing will be conditional upon, among others:

(a) the Stock Exchange granting the approval of the listing of and permission to deal in the Shares in issue and to be issued pursuant to the Placing and the Capitalisation Issue; and

(b) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms or otherwise, in each case, on or before the dates and times specified in the Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times), and in any event not later than the date which is 30 days after the date of this prospectus.

If any of the above conditions has not been fulfilled or waived prior to the time(s) and date(s) specified, the Placing will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by our Company on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.ico.com.hk** on the next business day following such lapse. All money received will be refunded to applicants of the Placing without interests.

THE PLACING

Our Company is offering 250,000,000 Placing Shares for subscription by way of Placing.

Investors subscribing for and purchasing the Placing Shares are also required to pay 1% brokerage, 0.005% Stock Exchange trading fee and 0.0027% transaction levy imposed by the SFC.

It is expected that the Underwriter (subject to the terms and conditions of the Underwriting Agreement, and subject to our Company and the Lead Manager agreeing to the Placing Price) or selling agents nominated by them, on behalf of our Company will conditionally place the Placing Shares at the Placing Price to selected professional, institutional and/or other investors in Hong Kong. Such professional and institutional investors generally include brokers, dealers, companies (including fund managers) whose ordinary businesses involve dealing in shares and other securities and/or corporate entities which regularly invest in shares and other securities.

BASIS OF ALLOCATION

All decisions concerning the allocation of the Placing Shares to the selected professional, institutional and/or other investors pursuant to the Placing will be made on the basis of, and with reference to, a number of factors including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not the relevant investor is expected or likely to buy further Shares, or hold or sell the Shares, after the Listing Date. Such allocation is intended to establish a solid and broad Shareholder base for the benefit of our Company and the Shareholders as a whole. In addition, our Company and our Directors will use their respective best endeavours to comply or procure the compliance with the minimum public float requirement under the GEM Listing Rules when allocating the Placing Shares to investors who are anticipated to have a sizeable demand for such Shares.

No allocation will be permitted to nominee companies unless the name of the ultimate beneficiary is disclosed, without the prior written consent of the Stock Exchange. Details of the Placing will be announced in accordance with Rules 10.12(4), 16.08 and 16.16 of the GEM Listing Rules.

LISTING DATE

Dealings in the Shares on GEM are expected to commence on Wednesday, 18 March 2015. The Shares will be traded in board lots of 8,000 Shares. The stock code of the Shares is 8140.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS, with effect from the Listing Date or any other date that HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangements as such arrangements will affect their rights and interests.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the Company's reporting accountants, Crowe Horwath (HK) CPA Limited, Certified Public Accountants, Hong Kong.

國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
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10 March 2015

The Directors
ICO Group Limited

New Spring Capital Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information relating to ICO Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") comprising the combined statements of financial position of the Group as at 31 March 2012, 2013 and 2014 and 30 September 2014, and the combined statements of profit or loss, the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for each of the years ended 31 March 2012, 2013 and 2014 and six months ended 30 September 2014 (the "Track Record Period"), together with the explanatory information thereto (the "Financial Information"), for inclusion in the prospectus of the Company dated 10 March 2015 (the "Prospectus").

The Company was incorporated in the Cayman Islands on 26 April 2013 as an exempted company with limited liability under the Companies Law (as Revised) of the Cayman Islands, as amended, supplemented and/or otherwise modified from time to time. Pursuant to a group reorganisation completed on 27 February 2015 (the "Reorganisation") as detailed in the section headed "History, Reorganisation and Group Structure" in the prospectus, the Company became the holding company of the companies now comprising the Group, details of which are set out in Section A below. The Company has not carried on any business since the date of its incorporation save for the aforementioned Reorganisation.

As at the date of this report, no audited financial statements have been prepared for the Company and below companies within the Group, as they either have not carried on any business since the date of incorporation, or are investment holding companies, or were newly established that their first statutory audits are not yet come, or not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation:

Name of company	Financial years
Great Talent Holdings Limited	Years ended 31 March 2012, 2013 and 2014
Wide Ocean Technologies Limited	Years ended 31 March 2012, 2013 and 2014
Value Digital Limited	Years ended 31 March 2012, 2013 and 2014
Wide Faith Management Limited	Years ended 31 March 2012, 2013 and 2014
Digital Faith International Limited	Years ended 31 March 2012, 2013 and 2014

Except for Tian Li Shi Software Development (Shenzhen) Co. Ltd. (天利時軟件開發(深圳)有限公司), all the companies now comprising the Group have adopted 31 March as their financial year end date. Details of the companies comprising the Group that were subject to audit during the Track Record Period and the names of the respective auditors are set out in note 27 of section C.

The directors of the Company have prepared the combined financial statements of the Group for the Track Record Period (the "Underlying Financial Statements") in accordance with the basis of preparation set out in Section A below and the accounting policies set out in Section C below. The Underlying Financial Statements for each of the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014 were audited by us in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Financial Information has been prepared by the directors of the Company for inclusion in the prospectus in connection with the listing of shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited based on the Underlying Financial Statements, with no adjustments made thereon and in accordance with the applicable disclosure provisions of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the GEM Listing Rules, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to form an opinion on the Financial Information based on our procedures performed in accordance with Auditing Guideline "Prospectuses and the Reporting Accountant" (Statement 3.340) issued by the HKICPA. We have not audited any financial statements of the Company, its subsidiaries or the Group in respect of any period subsequent to 30 September 2014.

OPINION

In our opinion, the Financial Information gives, for the purpose of this report, on the basis of preparation set out in Section A below, a true and fair view of the combined state of affairs of the Group as at 31 March 2012, 2013 and 2014 and 30 September 2014 and the Group's combined results and cash flows for the Track Record Period then ended.

CORRESPONDING FINANCIAL INFORMATION

For the purpose of this report, we have also reviewed the unaudited corresponding interim financial information of the Group comprising the combined statement of profit or loss, the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the six months ended 30 September 2013, together with the explanatory information thereon (the "Corresponding Financial Information"), for which the directors are responsible, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

The directors of the Company are responsible for the preparation of the Corresponding Financial Information in accordance with the same basis adopted in respect of the Financial Information. Our responsibility is to express a conclusion on the Corresponding Financial Information based on our review.

A review consists of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Corresponding Financial Information.

Based on our review, for the purpose of this report, nothing has come to our attention that causes us to believe that the Corresponding Financial Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

A. BASIS OF PREPARATION

The Company was incorporated as an exempted company under the laws of the Cayman Islands with limited liability on 26 April 2013. Pursuant to the Reorganisation completed on 27 February 2015, the Company became the holding company of the companies now comprising the Group. The companies taking part in the Reorganisation were controlled by the same ultimate equity shareholders, namely Lee Cheong Yuen, Chan Kwok Pui, Yong Man Kin and Tam Kwok Wah (the "Controlling Shareholders") during the Track Record Period.

As the companies now comprising the Group were controlled by the Controlling Shareholders before and after the Reorganisation, there was a continuation of the risks and benefits to the Controlling Shareholders and, therefore, the Reorganisation is considered to be a restructuring of business under common control. The Financial Information has been prepared using the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Track Record Period. The assets and liabilities of the companies comprising the Group are combined using the existing book values from the Controlling Shareholders' perspective.

The combined statements of profit or loss, the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for the Track Record Period include the results of operations of the companies now comprising the Group (or where the companies were incorporated at a date later than 1 April 2011, for the period from the date of incorporation to 30 September 2014) as if the current group structure had been in existence and remained throughout the Track Record Period. The combined statements of financial position of the Group as at 31 March 2012, 2013 and 2014 and 30 September 2014 have been prepared to present the state of affairs of the companies now comprising the Group as at the those dates as if the current group structure had been in existence as at the respective dates.

All material intra-group transactions and balances have been eliminated on combination.

At the date of this report, the Company had direct or indirect interests in the following subsidiaries, all of which are private companies. The particulars of these subsidiaries are set out below:

Name of company	Place and date of incorporation/ establishment	Issued and paid up capital/ registered capital	Attributable equity interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Great Talent Holdings Limited	The British Virgin Islands ("BVI") 10 February 2000	US$100	100%	100%	—	Investment holding
Wide Ocean Technologies Limited	BVI 1 February 2000	US$100	100%	100%	—	Investment holding
ICO Holdings Limited	Hong Kong 15 March 2000	HK$10,000	100%	—	100%	Investment holding
ICO Group Holdings Limited	Hong Kong 6 May 2013	HK$1	100%	—	100%	Not yet commenced its business
ICO Investments Limited	Hong Kong 18 April 2013	HK$1	100%	—	100%	Not yet commenced its business

Name of company	Place and date of incorporation/ establishment	Issued and paid up capital/ registered capital	Attributable equity interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Wide Faith Management Limited	BVI 5 January 2000	US$1	100%	—	100%	Investment holding
Value Digital Limited	BVI 17 May 2002	US$1	100%	—	100%	Dormant
Digital Faith International Limited	BVI 2 January 2002	US$1	100%	—	100%	Dormant
ICO Limited ("ICO HK")	Hong Kong 29 October 1992	HK$1,000,000	100%	—	100%	Provision of information technology services
ICO Technology Limited ("ICO Technology")	Hong Kong 26 September 1995	HK$1,000,000	51%	—	51%	Provision of information technology services
Tian Li Shi Software Development (Shenzhen) Limited (天利時軟件開發(深圳)有限公司) *(see note below)*	The People's Republic of China (the "PRC") 1 September 2009	HK$600,000	100%	—	100%	Provision of information technology services

Note: For Tian Li Shi Software Development (Shenzhen) Limited, the English translation of the name is for reference only and the official name of this entity is in Chinese.

B. COMBINED FINANCIAL INFORMATION

1. Combined statements of profit or loss

	Section C Note	Year ended 31 March 2012 HK$'000	2013 HK$'000	2014 HK$'000	Six months ended 30 September 2013 HK$'000 (Unaudited)	2014 HK$'000
Turnover	3	220,687	196,152	189,984	94,654	88,715
Cost of sales		(172,012)	(150,792)	(150,957)	(75,416)	(68,003)
Gross profit		48,675	45,360	39,027	19,238	20,712
Other revenue	4	56	650	344	211	294
Other net income	5	184	622	139	244	121
General and administrative expenses		(30,364)	(28,753)	(36,927)	(16,662)	(18,475)
Profit from operations		18,551	17,879	2,583	3,031	2,652
Finance costs	6(a)	(479)	(362)	(147)	(83)	(102)
Loss on deregistration of inactive subsidiary		(53)	—	—	—	—
Impairment loss on assets of disposal group classified as held for sale		—	(1,202)	—	—	—
Profit before taxation	6	18,019	16,315	2,436	2,948	2,550
Income tax	7	(1,890)	(3,518)	(1,806)	(1,223)	(640)
Profit for the year/period		16,129	12,797	630	1,725	1,910
Attributable to:						
Equity owners of the Company		12,488	12,886	(1,590)	676	627
Non-controlling interests		3,641	(89)	2,220	1,049	1,283
		16,129	12,797	630	1,725	1,910

The accompanying notes form part of the Financial Information.

2. Combined statements of profit or loss and other comprehensive income

	Year ended 31 March			Six months ended 30 September	
	2012	2013	2014	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Profit for the year/period	16,129	12,797	630	1,725	1,910
Other comprehensive income/(loss) for the year/period					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences:					
— on translation of financial statements of entities outside Hong Kong	(44)	(5)	16	(62)	(50)
— reclassification adjustments for an amount transferred to profit or loss upon the disposal of foreign operations	—	—	(36)	(36)	—
	(44)	(5)	(20)	(98)	(50)
Total comprehensive income for the year/period	16,085	12,792	610	1,627	1,860
Attributable to:					
Equity owners of the Company	12,395	12,853	(1,610)	578	577
Non-controlling interests	3,690	(61)	2,220	1,049	1,283
	16,085	12,792	610	1,627	1,860

The accompanying notes form part of the Financial Information.

3. Combined statements of financial position

	Section C Note	As at 31 March 2012 HK$'000	As at 31 March 2013 HK$'000	As at 31 March 2014 HK$'000	As at 30 September 2014 HK$'000
Non-current assets					
Plant and equipment	*11*	1,851	807	1,198	1,127
Intangible assets	*12*	50	30	22	35
		1,901	837	1,220	1,162
Current assets					
Trade and other receivables	*13*	43,506	44,898	46,783	48,435
Pledged bank deposits	*14*	2,889	2,898	—	—
Tax recoverable	*19(a)*	—	—	1,100	1,573
Cash and cash equivalents	*15*	28,562	20,431	14,005	18,422
		74,957	68,227	61,888	68,430
Assets of disposal group classified as held for sale	*20*	—	1,530	—	—
		74,957	69,757	61,888	68,430
Current liabilities					
Bank borrowings	*16*	(10,019)	(4,377)	(3,343)	(1,350)
Trade and other payables	*17*	(38,965)	(25,757)	(34,709)	(41,257)
Obligation under finance lease	*18*	—	—	(339)	(321)
Current taxation	*19(a)*	(623)	(2,279)	(387)	(623)
		(49,607)	(32,413)	(38,778)	(43,551)
Liabilities of disposal group classified as held for sale	*20*	—	(1,749)	—	—
		(49,607)	(34,162)	(38,778)	(43,551)
Net current assets		25,350	35,595	23,110	24,879
Total assets less current liabilities		27,251	36,432	24,330	26,041
Non-current liabilities					
Obligation under finance lease	*18*	—	—	(149)	—
Deferred tax liabilities	*19(b)*	(93)	(82)	(161)	(161)
		(93)	(82)	(310)	(161)
Net assets		27,158	36,350	24,020	25,880
Capital and reserves	*21*				
Share capital		1	1	1	1
Reserves		25,463	34,716	21,185	21,762
Total equity attributable to equity owners of the Company		25,464	34,717	21,186	21,763
Non-controlling interests		1,694	1,633	2,834	4,117
Total equity		27,158	36,350	24,020	25,880

The accompanying notes form part of the Financial Information.

4. Combined statements of changes in equity

	Attributable to equity owners of the Company					
	Capital	Exchange reserve	Retained earnings	Total	Non-controlling interest	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 April 2011	1	(112)	15,220	15,109	(575)	14,534
Changes in equity for 2011/12:						
Profit for the year	—	—	12,488	12,488	3,641	16,129
Other comprehensive income/(loss) for the year	—	(93)	—	(93)	49	(44)
Total comprehensive income for the year	—	(93)	12,488	12,395	3,690	16,085
Deregistration of an inactive subsidiary	—	—	—	—	49	49
Interim dividend declared to non-controlling shareholders	—	—	—	—	(1,470)	(1,470)
Interim dividend declared to the controlling equity owners of the Company in respect of the current year	—	—	(2,040)	(2,040)	—	(2,040)
Balance at 31 March 2012	1	(205)	25,668	25,464	1,694	27,158
Balance at 1 April 2012	1	(205)	25,668	25,464	1,694	27,158
Changes in equity for 2012/13:						
Profit/(loss) for the year	—	—	12,886	12,886	(89)	12,797
Other comprehensive income/(loss) for the year	—	(33)	—	(33)	28	(5)
Total comprehensive income/(loss) for the year	—	(33)	12,886	12,853	(61)	12,792
Interim dividend declared to the controlling equity owners of the Company in respect of the current year	—	—	(3,600)	(3,600)	—	(3,600)
Balance at 31 March 2013	1	(238)	34,954	34,717	1,633	36,350
Balance at 1 April 2013	1	(238)	34,954	34,717	1,633	36,350
Changes in equity for 2013/14:						
Profit/(loss) for the year	—	—	(1,590)	(1,590)	2,220	630
Other comprehensive loss for the year	—	(20)	—	(20)	—	(20)
Total comprehensive income/(loss) for the year	—	(20)	(1,590)	(1,610)	2,220	610
Disposal of subsidiaries	—	—	—	—	2,215	2,215
Interim dividend declared to non-controlling shareholders	—	—	—	—	(3,234)	(3,234)
Interim dividend declared to the controlling equity owners of the Company in respect of the current year	—	—	(11,921)	(11,921)	—	(11,921)
Balance at 31 March 2014	1	(258)	21,443	21,186	2,834	24,020

	Attributable to equity owners of the Company					
	Capital	Exchange reserve	Retained earnings	Total	Non-controlling interest	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 April 2014	1	(258)	21,443	21,186	2,834	24,020
Changes in equity for the six months ended 30 September 2014:						
Profit/(loss) for the period	—	—	627	627	1,283	1,910
Other comprehensive loss for the period	—	(50)	—	(50)	—	(50)
Total comprehensive income/(loss) for the period	—	(50)	627	577	1,283	1,860
Balance at 30 September 2014	1	(308)	22,070	21,763	4,117	25,880
(Unaudited)						
Balance at 1 April 2013	1	(238)	34,954	34,717	1,633	36,350
Changes in equity for the six months ended 30 September 2013:						
Profit for the period	—	—	676	676	1,049	1,725
Other comprehensive loss for the period	—	(98)	—	(98)	—	(98)
Total comprehensive income/loss for the period	—	(98)	676	578	1,049	1,627
Disposal of subsidiaries	—	—	—	—	2,215	2,215
Interim dividend declared to the non-controlling shareholders	—	—	—	—	(3,234)	(3,234)
Interim dividend declared to the controlling equity owners of the Company in respect of the current period	—	—	(3,366)	(3,366)	—	(3,366)
Balance at 30 September 2013	1	(336)	32,264	31,929	1,663	33,592

The accompanying notes form part of the Financial Information.

5. Combined statements of cash flows

	Section C Note	Year ended 31 March 2012 HK$'000	2013 HK$'000	2014 HK$'000	Six months ended 30 September 2013 HK$'000 (Unaudited)	2014 HK$'000
Operating activities						
Profit/(loss) before taxation		18,019	16,315	2,436	2,948	2,550
Adjustments for:						
Depreciation and amortisation		510	650	462	191	253
Interest income		(12)	(47)	(16)	(14)	(1)
Finance costs		479	362	147	83	102
Write-back of amount due from a related company		—	(422)	—	—	—
Loss on deregistration of an inactive subsidiary		53	—	—	—	—
Impairment loss on assets of disposal group classified as held for sale		—	1,202	—	—	—
Net foreign exchange difference		(151)	(59)	17	(13)	(58)
		18,898	18,001	3,046	3,195	2,846
Changes in working capital:						
Decrease in inventories		242	—	—	—	—
(Increase)/decrease in trade and other receivables		(8,843)	(1,674)	(1,887)	3,333	(1,644)
(Decrease)/increase in trade and other payables		6,011	(9,829)	5,945	(1,905)	8,071
Cash generated from/ (used in) operations		16,308	6,498	7,104	4,623	9,273
Income tax paid		(1,672)	(1,873)	(4,719)	—	(877)
Net cash generated from/ (used in) operating activities		14,636	4,625	2,385	4,623	8,396

	Section C Note	Year ended 31 March 2012 HK$'000	2013 HK$'000	2014 HK$'000	Six months ended 30 September 2013 HK$'000 (Unaudited)	2014 HK$'000
Investing activities						
Payment for purchase of plant and equipment		(1,450)	(222)	(166)	(141)	(172)
Payment for purchase of intangible assets		(53)	—	(5)	—	(23)
Net cash inflow arising from the disposal of subsidiaries	25	—	—	775	775	—
(Increase)/decrease in pledged bank deposits		(2,856)	(9)	2,898	2,898	—
Interest received		12	47	16	14	1
Net cash (used in)/generated from investing activities		(4,347)	(184)	3,518	3,546	(194)
Financing activities						
Proceeds from new bank loans		4,000	3,000	4,000	—	—
Repayment of bank loans		(2,509)	(5,516)	(5,016)	(3,543)	(1,993)
(Repayment to)/advance from related parties		468	(63)	3,988	(792)	(1,523)
Capital element of finance lease rentals paid		—	—	(186)	—	(167)
Interest element of finance lease rentals paid		—	—	(26)	—	(16)
Other borrowing costs paid		(479)	(362)	(121)	(71)	(86)
Dividend paid to non-controlling shareholders		(1,960)	(1,960)	(4,214)	(4,214)	—
Dividend paid to equity owners of the Company		(2,040)	(3,375)	(11,921)	(3,366)	—
Net cash used in financing activities		(2,520)	(8,276)	(13,496)	(11,986)	(3,785)

	Section C Note	Year ended 31 March 2012 HK$'000	2013 HK$'000	2014 HK$'000	Six months ended 30 September 2013 HK$'000 (Unaudited)	2014 HK$'000
Net increase/(decrease) in cash and cash equivalents		7,769	(3,835)	(7,593)	(3,817)	4,417
Cash and cash equivalents at the beginning of the year/ period		17,610	25,418	21,598	21,598	14,005
Effect of changes in foreign exchange rate		39	15	—	2	—
Cash and cash equivalents at the end of the year/ period	15	25,418	21,598	14,005	17,783	18,422

The accompanying notes form part of the Financial Information.

C. NOTES TO THE FINANCIAL INFORMATION

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The Financial Information set out in this report has been prepared in accordance with 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"). Further details of the significant accounting policies adopted are set out in the remainder of this note 1 under Section C.

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Financial Information, the Group has adopted all these new and revised HKFRSs to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations which are not yet effective for the Track Record Period and which have not been early adopted in this Financial Information are set out in note 26 under Section C.

The Financial Information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for the Track Record Period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

The accounting policies set out below have been applied consistently to all periods presented in this Financial Information.

The Corresponding Financial Information for the six months ended 30 September 2013 has been prepared in accordance with the same basis and accounting policies adopted in respect of the Financial Information.

(b) Basis of preparation of the Financial Information

The Financial Information comprises the Company and its subsidiaries and has been prepared using the merger basis of accounting as if the Group had always been in existence, as further explained in Section A.

(c) Basis of measurement of the Financial Information

The Financial Information is presented in Hong Kong dollars ("HK$"), rounded to the nearest thousand, which is the functional currency of the Company and its subsidiaries carrying on business in Hong Kong.

The measurement basis used in the preparation of the Financial Information is the historical cost basis.

Assets of disposal group held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 1(u)).

(d) Use of estimates and judgments

The preparation of the Financial Information in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRSs that have significant effect on the Financial Information and major sources of estimation uncertainty are discussed in note 2 under Section C.

(e) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

The financial statements of subsidiaries are included in the Financial Information from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the combined statement of financial position within equity, separately from equity attributable to the equity owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the combined statement of profit or loss and the combined statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the reporting period between non-controlling interests and the equity owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the combined statement of financial position in accordance with notes 1(m) or (n) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within combined equity to reflect the change in relative interests, but no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

(f) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(i)(ii)).

Gains or losses arising from the retirement or disposal of an item of plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated to write off the cost of items of plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

— Leasehold improvements	5 years
— Computer equipment	4 years
— Furniture and other office equipment	4–5 years
— Motor vehicles	4 years

Where parts of an item of plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(g) Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable (see note 1(t)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 1(i)(ii)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(i)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

— Acquired computer software	4 years

Both the period and method of amortisation are reviewed annually.

(h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 1(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(i)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregated net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(i) Impairment of assets

(i) Impairment of trade and other receivables

Trade and other receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decrease and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

— Plant and equipment; and

— Intangible assets

If any such indication exists, the asset's recoverable amount is estimated.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the cash-generating unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— *Reversals of impairment losses*

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior reporting periods. Reversals of impairment losses are credited to profit or loss in the reporting period in which the reversals are recognised.

(j) Project contracts in progress

Project contracts in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date (see note 1(r)(i)) less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Project contracts in progress is presented as "Gross amounts due from customers for contract work" (as part of trade and other receivables) in the statement of financial position for all contracts in which costs incurred plus recognised profits less recognised losses exceed progress billings. If progress billings exceed costs incurred plus recognised profits less recognised losses, then the difference is presented as "Gross amounts due to customers for contract work" (as part of trade and other payables) in the statement of financial position.

(k) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(i)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(n) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Employee benefits

(i) Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the reporting period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Retirement benefits

Retirement benefits are provided by the Group under the Mandatory Provident Fund Scheme as defined contribution scheme. The employer's monthly contributions to the scheme are at a maximum of 5% of each employee's monthly salary, subject to a cap of monthly relevant income of HK$20,000, or HK$25,000 on or after 1 June 2012, or HK$30,000 on or after 1 June 2014.

The entities within the Group in the PRC participate in defined contribution retirement benefit plans organized by relevant government authorities for its employees in the PRC and contribute to these plans based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans.

The cost of all these schemes is charged to profit or loss of the Group for the reporting period concerned and the assets of all these schemes are held separately from those of the Group.

(p) Income tax

Income tax for the reporting period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the reporting period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous reporting periods.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(q) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) IT application and solution development

When the outcome of a service contract can be estimated reliably, revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract.

When the outcome of a service contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(ii) IT infrastructure solutions

Revenue from rendering of services is recognised when the services are rendered.

Revenue from sales of goods is recognised when goods are delivered at customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(iii) Secondment and maintenance services

Revenue arising from the provision of secondment and maintenance services is recognised when the services are rendered.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(s) Translation of foreign currencies

Foreign currency transactions during the reporting period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The assets and liabilities of foreign operations are translated to Hong Kong dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Hong Kong dollars at exchange rates at the dates of the transactions. Foreign currency differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(u) Non-current assets (or disposal group) held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group are concerned are deferred tax assets, assets arising from employee benefits and financial assets (other than investments in subsidiaries). These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 1.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

(v) Related parties

For the purposes of the Financial Information, a party is considered to be related to the Group if:

(A) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(B) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. CRITICAL ACCOUNTING JUDGMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The Group's financial position and results of operations are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the Financial Information. Management bases the assumptions and estimates on historical experience and on other factors that the management believes to be reasonable and which form the basis for making judgments about matters that are not readily apparent from other sources. On an on-going basis, management evaluates its estimates. Actual results may differ from those estimates as facts, circumstances and conditions change.

The selection of significant accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reporting results to changes in conditions and assumptions are factors to be considered when reviewing the Financial Information. The significant accounting policies are set out in note 1 above. Management believes the following significant accounting policies involve the most significant judgments and estimates used in the preparation of the Financial Information.

(a) Impairment for plant and equipment and intangible assets

If circumstances indicate that the carrying amounts of plant and equipment and intangible assets may not be recoverable, the assets may be considered "impaired", and an impairment loss may be recognised to reduce the carrying amounts to the recoverable amount in accordance with the accounting policy for impairment of these assets as described in note 1(i)(ii). The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

(b) Impairment for trade and other receivables

The Group estimates impairment losses for trade and other receivables resulting from the inability of the customers to make the required payments. The Group bases its estimates on the ageing of the trade and other receivables balance, customer credit-worthiness and historical write-off experience. If the financial condition of the customers were to deteriorate, actual write-offs would be higher than expected and could significantly affect the result in future periods.

(c) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determinations are uncertain during the ordinary course of business. Where the final tax outcomes are different from the amounts that were initially recorded, such differences may impact the income tax and deferred tax provisions in the reporting period in which such determinations are made.

(d) Revenue recognition

As explained in policy note 1(j) and (r)(i), revenue recognition on an uncompleted project is dependent on management's estimation of the total outcome of the service contract, as well as the work done to date. Based on the Group's recent experience and the nature of the services activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. As a result, until this point is reached the gross amounts due from and due to customers for contract work as disclosed in notes 13 and 17, respectively, will not include profit which the Group may eventually realise from the work done to date.

The Group reviews and revises the estimates of contract revenue and contract costs prepared for each service contract as the contract progresses. Budgeted contract costs are prepared by the management based on their experiences. In order to keep the budget accurate and up-to-date, management conducts periodic reviews of the budgeted contract costs by comparing the budgeted amounts to the actual costs incurred.

Significant judgement is required in estimating the contract revenue and contract costs which may have an impact on percentage of completion of the service contracts and the corresponding profit taken.

Management base their judgements of contract costs and revenues on the latest available information. In some cases the results reflect the expected outcome of long-term contractual obligations which span more than one reporting period. Contract costs and revenues are affected by a variety of uncertainties that depend on the outcome of future events and often need to be revised as events unfold and uncertainties are resolved. The estimates of contract costs and revenues are updated regularly and significant changes are highlighted through established internal review procedures. The impact of the changes in accounting estimates is then reflected in the ongoing results.

3. TURNOVER AND SEGMENT REPORTING

(a) Turnover

The principal activities of the Group during the Track Record Period are the provision of IT application and solution development, IT infrastructure solutions, secondment services, maintenance and support services. The amount of each significant category of revenue recognised in turnover during the Track Record Period is as follows:

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
IT application and solution development	33,762	25,995	21,679	12,221	6,674
IT infrastructure solutions	124,562	108,520	108,031	53,748	50,228
Secondment services	45,409	42,812	40,660	19,757	21,880
Maintenance and support services	16,954	18,825	19,614	8,928	9,933
	220,687	196,152	189,984	94,654	88,715

Information about major customers

Revenues from customers contributing over 10% of the total revenue of the Group during the Track Record Period are as follows:

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Customer A[1]	38,627	31,340	27,465	13,242	16,529
Customer B[3]	12,553	8,655	N/A*	4,341	N/A*
Customer B[4]	10,681	11,652	N/A*	6,529	N/A*
	23,234	20,307	N/A*	10,870	N/A*
Customer C[1]	N/A*	180	705	360	353
Customer C[2]	N/A*	30,245	25,305	12,761	15,288
Customer C[3]	N/A*	1,228	—	—	—
	N/A*	31,653	26,010	13,121	15,641
Customer D[2]	30,443	N/A*	N/A*	N/A*	N/A*

1 Revenue from provision of secondment services.
2 Revenue from provision of IT infrastructure solutions.
3 Revenue from provision of IT application and solution development services.
4 Revenue from provision of maintenance and support services.
* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the relevant year.

Details of concentrations of credit risk arising from these customers are set out in note 22(a) of Section C.

Further details regarding the Group's principal activities are discussed below.

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

— IT application and solution development: this segment provides IT systems integration, software development and technology consultancy services.

— IT infrastructure solutions: this segment provides design of IT infrastructure solutions services and sale of IT infrastructure solution related hardware and software.

— Secondment services: this segment provides secondment services for a fixed period of time pursuant to the secondment service agreements.

— Maintenance and support services: this segment provides maintenance and support services.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit. No inter-segment sales have occurred during the Track Record Period. The Group's other income and expense items, such as general and administrative expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, depreciation and amortization, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2013 and 2014 is set out below.

	Year ended 31 March 2012				
	IT application and solution development	**IT infrastructure solutions**	**Secondment services**	**Maintenance and support service**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers and reportable segment revenue	33,762	124,562	45,409	16,954	220,687
Reportable segment gross profit	8,891	21,400	12,018	6,366	48,675

	Year ended 31 March 2013				
	IT application and solution development	**IT infrastructure solutions**	**Secondment services**	**Maintenance and support service**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers and reportable segment revenue	25,995	108,520	42,812	18,825	196,152
Reportable segment gross profit	9,720	16,200	11,918	7,522	45,360

	Year ended 31 March 2014				
	IT application and solution development	**IT infrastructure solutions**	**Secondment services**	**Maintenance and support service**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers and reportable segment revenue	21,679	108,031	40,660	19,614	189,984
Reportable segment gross profit	10,458	11,410	10,705	6,454	39,027

	Six months ended 30 September 2014				
	IT application and solution development	**IT infrastructure solutions**	**Secondment services**	**Maintenance and support service**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers and reportable segment revenue	6,674	50,228	21,880	9,933	88,715
Reportable segment gross profit	2,273	6,604	7,496	4,339	20,712

	Six months ended 30 September 2013 (Unaudited)				
	IT application and solution development	IT infrastructure solutions	Secondment services	Maintenance and support service	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers and reportable segment revenue	12,221	53,748	19,757	8,928	94,654
Reportable segment gross profit	5,756	5,526	4,708	3,248	19,238

(ii) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's plant and equipment and intangible assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of plant and equipment, and the location of the operation, in the case of intangible assets.

The geographical information of the Group's revenue from external customers for the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2013 and 2014, and specified non-current assets as at 31 March 2012, 2013 and 2014 and 30 September 2014 is set out below:

	Revenue from external customers				
	Year ended 31 March			Six months ended 30 September	
	2012	2013	2014	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Hong Kong (place of domicile)	211,386	191,589	189,984	94,654	88,715
The PRC	9,301	4,563	—	—	—
	220,687	196,152	189,984	94,654	88,715

	Specified non-current assets			As at 30 September
	As at 31 March			
	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	807	700	1,134	1,099
The PRC	1,094	137	86	63
	1,901	837	1,220	1,162

4. OTHER REVENUE

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Bank interest income	12	47	16	14	1
Marketing income	18	562	328	197	293
Others	26	41	—	—	—
	56	650	344	211	294

5. OTHER NET INCOME

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Net foreign exchange gain	184	200	139	244	121
Write-back of allowance for impairment of amount due from a related company	—	422	—	—	—
	184	622	139	244	121

6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Total interest expense on financial liabilities not at fair value through profit or loss:					
Interest on bank borrowings wholly repayable within 5 years	479	362	121	71	86
Finance charges on obligation under finance lease	—	—	26	12	16
	479	362	147	83	102

(b) Staff costs (including directors' remuneration)

	Year ended 31 March			Six months ended 30 September	
	2012	2013	2014	2013	2014
	HK'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Salaries, wages and other benefits	82,388	77,093	77,183	36,977	40,220
Contributions to defined contribution retirement plans	2,968	2,814	2,642	1,444	1,648
	85,356	79,907	79,825	38,421	41,868

(c) Other items

	Year ended 31 March			Six months ended 30 September	
	2012	2013	2014	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Amortisation of intangible assets	29	20	13	7	10
Depreciation of plant and equipment	481	630	449	184	243
Auditors' remuneration					
— audit services	407	400	1,100	300	600
— other services	—	70	500	390	50
Operating lease charges in respect of properties	2,041	2,007	1,977	984	908

7. INCOME TAX IN THE COMBINED STATEMENTS OF PROFIT OR LOSS

(a) Income tax in the combined statements of profit or loss represents:

	Year ended 31 March			Six months ended 30 September	
	2012	2013	2014	2013	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Current tax — Hong Kong Profits Tax					
Provision for the year/period	1,894	3,529	1,722	1,223	640
(Over)/under-provision in respect of prior years	(51)	—	5	—	—
	1,843	3,529	1,727	1,223	640
Current tax — PRC Corporation Income Tax					
Provision for the year/period	—	—	—	—	—
Deferred taxation					
Origination and reversal of temporary differences	47	(11)	79	—	—
	1,890	3,518	1,806	1,223	640

The statutory income tax rate of the Company and its subsidiaries registered in Hong Kong is 16.5%. The PRC's statutory income tax rate is 25%.

No provision for PRC Corporation Income Tax has been made, as the subsidiaries of the Group established in the PRC did not have assessable profits which are subject to PRC Corporation Tax during the Track Record Period.

The Company and the subsidiaries of the Group incorporated in the Cayman Islands and the BVI, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

(b) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Profit/(loss) before taxation	18,019	16,315	2,436	2,948	2,550
Notional tax on profit/(loss) before taxation, calculated at the statutory tax rates applicable to the respective tax jurisdictions	3,187	2,321	340	452	411
Effect of non-deductible expenses	80	208	1,278	666	202
Effect of non-taxable income	(1)	(76)	(3)	(2)	(1)
Effect of unused tax losses not recognised	—	1,092	186	102	28
Effect of prior years' tax losses utilised this year/period	(1,303)	—	—	—	—
(Over)/under-provision in respect of prior years	(51)	—	5	—	—
Others	(22)	(27)	—	5	—
Actual tax expense	1,890	3,518	1,806	1,223	640

8. DIRECTORS' REMUNERATION

The following table sets out the remuneration received or receivable by the Company's directors:

For the year ended 31 March 2012:

	Directors' fees	Salaries, allowances and other benefits in kind	Contribution to defined contribution plan	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors				
Lee Cheong Yuen	—	1,515	12	1,527
Yong Man Kin	—	1,423	12	1,435
Non-executive directors				
Chan Kwok Pui	—	—	—	—
Tam Kwok Wah	—	1,170	12	1,182
	—	4,108	36	4,144

For the year ended 31 March 2013:

	Directors' fees	Salaries, allowances and other benefits in kind	Contribution to defined contribution plan	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors				
Lee Cheong Yuen	—	1,278	15	1,293
Yong Man Kin	—	1,529	14	1,543
Non-executive directors				
Chan Kwok Pui	—	105	4	109
Tam Kwok Wah	—	280	14	294
	—	3,192	47	3,239

For the year ended 31 March 2014:

	Directors' fees	Salaries, allowances and other benefits in kind	Contribution to defined contribution plan	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors				
Lee Cheong Yuen	—	1,612	15	1,627
Yong Man Kin	—	1,504	15	1,519
Non-executive directors				
Chan Kwok Pui	—	180	9	189
Tam Kwok Wah	—	180	9	189
	—	3,476	48	3,524

For the six months ended 30 September 2014:

	Directors' fees	Salaries, allowances and other benefits in kind	Contribution to defined contribution plan	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors				
Lee Cheong Yuen	—	822	9	831
Yong Man Kin	—	822	9	831
Non-executive directors				
Chan Kwok Pui	—	90	4	94
Tam Kwok Wah	—	90	4	94
	—	1,824	26	1,850

For the six months ended 30 September 2013 (Unaudited):

	Directors' fees	Salaries, allowances and other benefits in kind	Contribution to defined contribution plan	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors				
Lee Cheong Yuen	—	795	8	803
Yong Man Kin	—	702	8	710
Non-executive directors				
Chan Kwok Pui	—	90	4	94
Tam Kwok Wah	—	90	4	94
	—	1,677	24	1,701

Notes:

(i) No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the Track Record Period. No director waived or agreed to waive any emoluments during the Track Record Period.

(ii) The Company did not have any share option scheme for the purchase of ordinary shares in the Company during the Track Record Period.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 3, 2, 2, 2 and 2 for the years ended 31 March 2012, 2013 and 2014 and six months ended 30 September 2013 and 2014, respectively, are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Salaries and other emoluments	2,845	3,621	3,549	1,695	1,709
Contributions to defined contribution retirement plans	24	43	45	23	26
	2,869	3,664	3,594	1,718	1,735

The emoluments of the above individuals with the highest emoluments are within the following bands:

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals* (Unaudited)	*Number of individuals*
HK$Nil to HK$1,000,000	—	1	1	3	3
HK$1,000,001 to HK$1,500,000	1	1	2	—	—
HK$1,500,001 to HK$2,000,000	1	1	—	—	—

No emoluments were paid or payable by the Group to these employees as an inducement to join or upon joining the Group or as compensation for loss of office during the Track Record Period.

10. EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion, for the purpose of the Financial Information, is not considered meaningful due to the Reorganisation and the preparation of the results of the Group for the Track Record Period on the combined basis as disclosed in Section A.

11. PLANT AND EQUIPMENT

	Leasehold improvements	**Computer equipment**	**Furniture and other office equipment**	**Motor vehicles**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost:					
At 1 April 2011	152	2,169	363	—	2,684
Additions	—	275	69	1,106	1,450
Exchange adjustments	2	22	2	9	35
At 31 March 2012	154	2,466	434	1,115	4,169
At 1 April 2012	154	2,466	434	1,115	4,169
Additions	—	198	24	—	222
Reclassified as held for sale *(note 20)*	(44)	(434)	(113)	(643)	(1,234)
Exchange adjustments	—	9	2	8	19
At 31 March 2013	110	2,239	347	480	3,176
At 1 April 2013	110	2,239	347	480	3,176
Additions	—	840	—	—	840
Exchange adjustments	—	(1)	—	—	(1)
At 31 March 2014	110	3,078	347	480	4,015
At 1 April 2014	110	3,078	347	480	4,015
Additions	—	157	15	—	172
Exchange adjustments	—	3	—	—	3
At 30 September 2014	110	3,238	362	480	4,190

	Leasehold improvements *HK$'000*	Computer equipment *HK$'000*	Furniture and other office equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
Accumulated depreciation:					
At 1 April 2011	107	1,435	287	—	1,829
Depreciation for the year	15	298	36	132	481
Exchange adjustments	—	6	1	1	8
At 31 March 2012	122	1,739	324	133	2,318
At 1 April 2012	122	1,739	324	133	2,318
Depreciation for the year	15	311	41	263	630
Reclassified as held for sale *(note 20)*	(29)	(278)	(53)	(229)	(589)
Exchange adjustments	1	5	1	3	10
At 31 March 2013	109	1,777	313	170	2,369
At 1 April 2013	109	1,777	313	170	2,369
Depreciation for the year	1	313	15	120	449
Exchange adjustments	—	(1)	—	—	(1)
At 31 March 2014	110	2,089	328	290	2,817
At 1 April 2014	110	2,089	328	290	2,817
Depreciation for the period	—	176	7	60	243
Exchange adjustments	—	3	—	—	3
At 30 September 2014	110	2,268	335	350	3,063
Net book value:					
At 31 March 2012	32	727	110	982	1,851
At 31 March 2013	1	462	34	310	807
At 31 March 2014	—	989	19	190	1,198
At 30 September 2014	—	970	27	130	1,127

During the year ended 31 March 2014, additions to computer equipment of the Group financed by new finance lease were approximately HK$674,000. At 31 March 2014 and 30 September 2014, the net book value of computer equipment held under finance lease was approximately HK$589,000 and HK$516,000, respectively.

12. INTANGIBLE ASSETS

	Acquired computer software *HK$'000*
Cost:	
At 1 April 2011	158
Additions	53
At 31 March 2012	211
At 1 April 2012	211
Additions	—
At 31 March 2013	211
At 1 April 2013	211
Additions	5
At 31 March 2014	216
At 1 April 2014	216
Additions	23
At 30 September 2014	239
Accumulated amortisation:	
At 1 April 2011	132
Charge for the year	29
At 31 March 2012	161
At 1 April 2012	161
Charge for the year	20
At 31 March 2013	181
At 1 April 2013	181
Charge for the year	13
At 31 March 2014	194
At 1 April 2014	194
Charge for the period	10
At 30 September 2014	204
Net book value:	
At 31 March 2012	50
At 31 March 2013	30
At 31 March 2014	22
At 30 September 2014	35

The amortisation charge for the year/period is included in "general and administrative expenses" in the combined statements of profit or loss.

13. TRADE AND OTHER RECEIVABLES

		As at 31 March			As at 30 September
		2012	2013	2014	2014
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade debtors	*(a),(e)*	28,073	31,258	38,608	38,223
Gross amounts due from customers for contract work	*(d)*	2,946	3,236	4,192	4,072
Amounts due from related parties	*24(b)*	7,552	9,251	2,917	2,932
Other receivables		—	—	25	25
Rental and other deposits		759	633	729	711
Prepayments		4,176	520	312	2,472
		43,506	44,898	46,783	48,435

Notes:

(a) Ageing analysis of trade debtors

The ageing analysis of trade debtors is as follows:

	As at 31 March			As at 30 September
	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 1 month	25,270	24,678	27,052	29,506
1 to 3 months	1,993	2,955	7,688	3,981
Over 3 months	810	3,625	3,868	4,736
	28,073	31,258	38,608	38,223

Trade debtors are due within 60 days from the date of billing. Further details on the Group's credit policy are set out in note 22(a).

The ageing analysis is prepared in accordance with the date of billing.

(b) Impairment of trade debtors

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see note 1(i)(i)). For the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, the Group did not record any impairment losses in respect of trade debtors.

(c) Trade debtors that are not impaired

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

	As at 31 March			As at 30 September
	2012	**2013**	**2014**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Neither past due nor impaired	25,711	25,607	27,416	32,754
Less than 1 month past due	1,552	1,876	5,848	708
1 to 3 months past due	798	506	3,084	2,249
Over 3 months past due	12	3,269	2,260	2,512
	2,362	5,651	11,192	5,469
	28,073	31,258	38,608	38,223

Receivables that were neither past due nor impaired relate to debtors for whom there was no recent history of default.

Receivables that were past due but not impaired relate to customers that have a good credit record. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(d) Project contracts in progress

As at 31 March 2012, 2013 and 2014 and 30 September 2014, the aggregate amount of costs incurred plus recognised profits less recognised losses to date, included in the gross amounts due from/to customers for contract work, was approximately HK$41,882,000, HK$24,392,000, HK$26,213,000 and HK$29,244,000, respectively. The gross amounts due from/to customers for contract work is expected to be recovered/settled within one year.

(e) Retention receivables

As at 31 March 2012, 2013 and 2014, included in trade debtors are retention receivables in respect of project contracts of HK$395,000, HK$395,000 and HK$395,000 respectively. The balance was recovered during the six months ended 30 September 2014.

As at 30 September 2014, included in trade debtors are retention receivables in respect of another project contracts of HK$375,000. The balance as at 30 September 2014 was not expected to be recovered within one year.

14. PLEDGED BANK DEPOSITS

		As at 31 March			As at 30 September
		2012	2013	2014	2014
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Bank deposit of ICO	*(i)*	33	—	—	—
Bank deposit of ICO Technology	*(ii)*	2,856	2,898	—	—
		2,889	2,898	—	—

Notes:

(i) As at 31 March 2012, a bank deposit of ICO HK was pledged to a bank for banking facilities granted to ICO HK. Such banking facilities amounted to HK$800,000 and the facilities were utilised to the extent of approximately HK$41,000. During the year ended 31 March 2013, the bank deposit of ICO HK was released.

(ii) As at 31 March 2012 and 31 March 2013, the bank deposit of ICO Technology was denominated in Renminbi and was pledged to a bank for banking facilities granted to ICO Technology. Such banking facilities amounted to HK$5,000,000 and no facility was utilised. During the year ended 31 March 2014, this bank deposit was released.

15. CASH AND CASH EQUIVALENTS

	As at 31 March			As at 30 September
	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash on hand	643	90	56	56
Cash at banks	27,919	20,341	13,949	18,366
Cash and cash equivalents in the combined statements of financial position	28,562	20,431	14,005	18,422
Bank overdrafts	(3,144)	(18)	—	—
Cash and cash equivalents included in the assets of a disposal group classified as held for sale *(note 20)*	—	1,185	—	—
Cash and cash equivalents in the combined statements of cash flows	25,418	21,598	14,005	18,422

As at 31 March 2012, 31 March 2013, 31 March 2014 and 30 September 2014, cash and cash equivalents in the amount of approximately HK$4,440,000, HK$2,313,000, HK$641,000 and HK$60,000, respectively, are denominated in Renminbi. Of these, as at 31 March 2012, 31 March 2013, 31 March 2014 and 30 September 2014, HK$1,705,000, HK$66,000, HK$2,000 and HK$3,000 respectively are placed with financial institutions in the PRC, the remittance of which are subject to relevant rules and regulations of foreign exchange control promulgated by the government of the PRC.

16. BANK BORROWINGS

The analysis of the carrying amount of bank borrowings repayable on demand or within one year is as follows:

		As at 31 March			As at 30 September
		2012	2013	2014	2014
	Note	*HK\$'000*	*HK\$'000*	*HK\$'000*	*HK\$'000*
Bank overdrafts					
— secured	*(i)*	41	—	—	—
— unsecured and guaranteed	*(i) & (ii)*	3,103	18	—	—
		3,144	18	—	—
Bank loan granted under Special Loan Guarantee Scheme sponsored by the Government of Hong Kong Special Administrative Region ("HKSARG")	*(iii)*	3,625	1,776	—	—
Bank loan granted under the SME Loan Guarantee Scheme sponsored by the HKSARG	*(iv)*	3,250	—	—	—
Bank loan granted under The Hong Kong Mortgage Corporation Limited ("HKMC") SME Financing Guarantee Scheme	*(v)*	—	2,583	—	—
Bank loan granted under tax loan facility	*(vi)*	—	—	3,343	1,350
		10,019	4,377	3,343	1,350

Notes:

(i) As at March 2012, a secured bank overdraft facility of HK\$800,000 was provided and utilised to the extent of approximately HK\$41,000, and such bank overdraft was secured by ICO's bank deposit of approximately HK\$33,000. During the year ended 31 March 2013, the charge over this bank deposit was released. As at 31 March 2013, 31 March 2014 and 30 September 2014, unsecured bank overdraft facilities of HK\$800,000, HK\$800,000 and HK\$800,000 were provided and utilised to the extent of approximately HK\$18,000, HK\$nil and HK\$nil, respectively.

Interest on the overdraft facility is charged on daily balances at 1.5% per annum over the bank's HKD best lending rate. As at 31 March 2012, 31 March 2013, 31 March 2014 and 30 September 2014, the bank's HKD best lending rate was 5%.

As at 31 March 2012, 31 March 2013, 31 March 2014 and 30 September 2014, the bank overdraft facility was secured by personal guarantees from Lee Cheong Yuen, Yong Man Kin, Chan Kwok Pui and Tam Kwok Wah, the directors of the Company, and subordination agreement incorporating assignment of ICO HK's loan executed by ICO HK's immediate holding company.

(ii) As at 31 March 2012 and 31 March 2013, unsecured bank overdraft facility of HK\$4,000,000 and HK\$4,000,000 granted under Special Loan Guarantee Scheme sponsored by the HKSARG were provided and utilised to the extent of approximately HK\$3,103,000 and HK\$nil, respectively. During the year ended 31 March 2014, the facility was terminated.

Interest on the overdraft facility is charged on daily balances at 1% per annum over the bank's HKD best lending rate. As at 31 March 2012 and 31 March 2013, the bank's HKD best lending rate was 5%.

As at 31 March 2012 and 31 March 2013, the bank overdraft facility was secured by personal guarantees from Lee Cheong Yuen and Yong Man Kin, the directors of the Company, and the guarantee granted by the HKSARG.

(iii) A non-revolving loan was granted by the bank under the Special Loan Guarantee Scheme sponsored by the HKSARG in prior years and will be repayable by instalments up to 9 February 2014. Such bank loan was classified as a current liability as at 31 March 2012 due to the fact that the corresponding loan facility letter included a repayable on demand clause giving the bank an unconditional right to call the loan at any time notwithstanding any other terms and maturity as set out in the banking facilities letter.

Interest on the non-revolving loan is charged on the bank's HKD best lending rate. As at 31 March 2012 and 31 March 2013, the bank's HKD best lending rate was 5%.

As at 31 March 2012 and 31 March 2013, the non-revolving loan is secured by personal guarantees from Lee Cheong Yuen and Yong Man Kin, the directors of the Company, and the guarantee granted by the HKSARG. During the year ended 31 March 2014, the bank loan was fully repaid, and the aggregate principal and interest cash outflow of such bank loan approximately amounted to HK$1,821,000 for the period from 1 April 2013 to the repayment date.

(iv) An non-revolving loan was granted by the bank under the SME Loan Guarantee Scheme sponsored by the HKSARG during the year ended 31 March 2012. This loan was drawn down on 27 June 2011 and will be repayable by instalments up to 26 June 2015. Such bank loan was classified as a current liability as at 31 March 2012 due to the fact that the corresponding loan agreement included a repayable on demand clause giving the bank an unconditional right to call the loan at any time notwithstanding any other terms and maturity as set out in the banking facilities letter.

As at 31 March 2012, this non-revolving loan bore interest at the bank's HKD best lending rate of 5% and was secured by personal guarantees from Yong Man Kin, a director of the Company, Leung Man Lun, Walter and Ho Chak Keung, key management personnel of the Company, and the guarantee granted by the HKSARG.

The loan facility was subject to the fulfilment of covenants as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the loan would become payable on demand. As at 31 March 2012, the Group breached these covenants, however, the breach had no significant financial impact on the Group's combined financial statements. In August 2012, the Group fully repaid the bank loan, and the aggregate principal and interest cash outflow of such bank loan approximately amounted to HK$3,343,000 for the period from 1 April 2012 to the repayment date.

(v) During the year ended 31 March 2013, an uncommitted non-revolving bank loan facility of HK$3,000,000 under the HKMC SME Financing Guarantee Scheme was obtained and will be repayable by instalments up to 9 October 2015. Such bank loan was classified as a current liability as at 31 March 2013 due to the fact that the corresponding loan agreement included a repayable on demand clause giving the bank an unconditional right to call the loan at any time notwithstanding any other terms and maturity as set out in the banking facility letter. During the year ended 31 March 2014, this bank loan was fully repaid, and the aggregate principal and interest cash outflow of such bank loan approximately amounted to HK$2,636,000 for the period from 1 April 2013 to the repayment date.

As at 31 March 2013, this loan bore interest at 4.25% per annum (i.e., the bank's prime rate minus 1% per annum) and was secured by personal guarantees from Yong Man Kin, a director of the Company, Leung Man Lun, Walter and Ho Chak Keung, key management personnel of the Company, and the guarantee granted by the HKMC.

(vi) A tax loan was granted by the bank under a tax loan facility of HK$4,000,000 during the year ended 31 March 2014 and will be repayable by instalments up to 17 January 2015.

Interest on the tax loan is charged on the outstanding amount at 1.5% per annum below the bank's HKD prime rate. As at 31 March 2014 and 30 September 2014, the bank's HKD prime rate was 5.25%.

As at 31 March 2014, the tax loan is secured by personal guarantees from Lee Cheong Yuen and Yong Man Kin, the directors of the Company.

During the six months ended 30 September 2014, the terms and conditions of the banking facility were revised. As at 30 September 2014, the tax loan is secured by personal guarantees from Lee Cheong Yuen and Yong Man Kin, the directors of the Company, and a fixed deposit in name of Yong Man Kin.

17. TRADE AND OTHER PAYABLES

		As at 31 March			As at 30 September
		2012	**2013**	**2014**	**2014**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade creditors	*(a)*	16,548	7,254	13,939	22,493
Gross amounts due to customers for contract work	*13(d)*	1,506	1,660	—	669
Customers' deposits received		3,074	3,730	2,078	4,043
Deferred income		4,586	3,943	1,577	7,323
Accrued service costs		5,944	4,787	4,330	1,547
Other accrued expenses		2,150	2,205	7,779	1,699
Amounts due to related parties	*24(b)*	4,850	1,773	4,781	3,258
Other taxes payable		307	180	—	—
Dividend payable to equity owners of the Company		—	225	225	225
		38,965	25,757	34,709	41,257

Notes:

(a) Ageing analysis of trade creditors

As at 31 March 2012, 2013 and 2014 and 30 September 2014, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	As at 31 March			As at 30 September
	2012	**2013**	**2014**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 1 month	16,484	7,153	8,823	10,622
1 to 3 months	22	94	5,101	11,797
Over 3 months	42	7	15	74
	16,548	7,254	13,939	22,493

(b) Retention payables

As at 31 March 2012, 2013 and 2014 and 30 September 2014, there were no retention payables.

18. OBLIGATION UNDER FINANCE LEASE

As at 31 March 2014 and 30 September 2014, the Group had obligation under finance lease repayable as follows:

	As at 31 March 2014		As at 30 September 2014	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 1 year	339	364	321	333
After 1 year but within 2 years	149	151	—	—
	488	515	321	333
Less: total future interest expenses		(27)		(12)
Present value of lease obligations		488		321

19. INCOME TAX IN THE COMBINED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the combined statements of financial position represents:

	As at 31 March			As at 30 September
	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Income tax recoverable	—	—	(1,100)	(1,573)
Income tax payable	623	2,279	387	623
	623	2,279	(713)	(950)

The movement of the current taxation in the combined statements of financial position during the years/period are as follows:

	Year ended 31 March			Six months ended 30 September
Current taxation movement	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At the beginning of the year/period	452	623	2,279	(713)
Charge for the year/period	1,843	3,529	1,727	640
Tax paid for the year/period	(1,672)	(1,873)	(4,719)	(877)
At end of the year/period	623	2,279	(713)	(950)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets and liabilities recognised in the combined statements of financial position and the movements during the years/period are as follows:

	Depreciation allowance in excess of related depreciation			
		Year ended 31 March		Six months ended 30 September
	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At the beginning of the year	46	93	82	161
Charged/(credited) to profit or loss	47	(11)	79	—
At the end of the year	93	82	161	161

(c) Deferred tax assets and liabilities not recognised:

As at 31 March 2012, 31 March 2013, 31 March 2014 and 30 September 2014, the Group did not recognize deferred tax assets of HK$31,000, HK$981,000, HK$564,000 and HK$591,000 in respect of tax losses amounting to HK$123,000, HK$3,922,000, HK$2,255,000 and HK$2,365,000 respectively that can be carried forward against future taxable income. As at 31 March 2012, the tax losses of HK$123,000 expire in 2015. As at 31 March 2013, the tax losses of HK$1,063,000, HK$1,833,000 and HK$1,026,000 expire in 2015, 2017 and 2018 respectively. As at 31 March 2014, the tax losses of HK$749,000, HK$498,000, HK$264,000 and HK$744,000 expire in 2015, 2017, 2018 and 2019 respectively. As at 30 September 2014, the tax losses of HK$749,000, HK$498,000, HK$264,000 and HK$854,000 expire in 2015, 2017, 2018 and 2019 respectively.

There were no other material unrecognised deferred tax assets and liabilities as at 31 March 2012, 2013 and 2014 and 30 September 2014.

20. DISPOSAL GROUP HELD FOR SALE

The assets and liabilities related to ICO Technology (China) Limited ("ICO Technology (China)") and its subsidiary, Shenzhen Kai Gang Technology Co. Ltd. (深圳凱港科技有限公司) (part of the IT Infrastructure Solutions segment), have been presented as held for sale following the decision made by the Group's management in March 2013 to sell these two subsidiaries. The completion date for the transaction was 1 April 2013, details of such disposal was disclosed in note 25.

The major class of assets and liabilities of the disposal group classified as held for sale as at 31 March 2013 are as follows:

(a) Assets of disposal group classified as held for sale

	HK$'000
Plant and equipment	645
Amount due from member of key management personnel — Chan Kwok Pui	570
Cash and cash equivalents	1,185
Trade and other receivables	332
Less: Impairment loss recognized	(1,202)
Total assets of disposal group classified as held for sale	1,530

(b) Liabilities of disposal group classified as held for sale

	HK$'000
Trade and other payables	518
Amount due to Time Profit Group Limited *(Note)*	300
Amount due to members of key management personnel	
— Lee Cheong Yuen	177
— Leung Man Lun, Walter	754
Total liabilities of disposal group classified as held for sale	1,749

Note: Time Profit Group Limited is beneficially owned and controlled by Leung Man Lun, Walter, one of the Group's key management personnel and director of ICO Technology and ICO Technology (China).

(c) Impairment loss relating to the disposal group

Impairment loss of HK$1,202,000 for write-down of the disposal group to the lower of its carrying amount and its fair value less costs to sell has been included in "general and administrative expenses".

21. CAPITAL AND RESERVES

(a) Movement in components of equity

The reconciliation between the opening and closing balances during the Track Record Period of each component of the Group's combined equity is set out in the combined statements of changes in equity.

(b) Share capital

The Company was incorporated on 26 April 2013 with an authorised capital of 10,000,000,000 ordinary shares with par value of HK$0.01 each.

On 26 April 2013, 1 share was allotted and issued at par to an initial subscriber. On the same date, initial subscriber transferred the share to Friends True Limited, which is wholly-owned by Mr. Yong Man Kin (one of the Controlling Shareholders). On 26 June 2013, further 999 shares were allotted and issued at par to BIZ Cloud Limited, which is wholly-owned by Mr. Lee Cheong Yuen (one of the Controlling Shareholders), Cloud Gear Limited, which is wholly-owned by Mr. Chan Kwok Pui (one of Controlling Shareholders), Friends True Limited and Imagine Cloud Limited, which is wholly-owned by Mr. Tam Kwok Wah (one of the controlling Shareholders), as to 390 shares, 110 shares, 374 shares and 125 shares respectively. The Company has not carried out any business during the period from 26 April 2013 (date of incorporation) to 30 September 2014. After the completion of the Reorganisation on 27 February 2015, the Company became the holding company of the Group.

For the purpose of this Financial Information, the share capital as at 31 March 2012 and 2013 represents the aggregate amount of share capital of Great Talent Holdings Limited ("Great Talent") and Wide Ocean Technologies Limited ("Wide Ocean") now comprising the Group, and the share capital as at 31 March 2014 and 30 September 2014 represents the aggregate amount of share capital of the Company, Great Talent and Wide Ocean.

(c) Exchange reserve

The exchange reserve represents foreign exchange differences arising from the translation of the financial statements of companies outside Hong Kong. The reserve is dealt with in accordance with the accounting policies set out in note 1(s).

(d) Retained earnings available for distribution

The Company was incorporated on 26 April 2013 and has not carried on any business since the date of its incorporation. Accordingly, there were no retained earnings available for distribution to equity owners as at 30 September 2014.

(e) Dividends

Dividends during each of the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014 represented dividends declared by the companies now comprising the Group to the then owners of the respective companies for each of the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014, after elimination of intra-group dividends. The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this report.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted debt-to-capital ratio. For this purpose, the Group defines adjusted debt as total debt (which includes interest-bearing loans and borrowings, obligations under finance leases, and trade and other payables) plus unaccrued proposed dividends, less cash and cash equivalents and pledged bank deposits. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

During the Track Record Period, the Group's strategy was to maintain an adjusted debt-to-capital ratio of no more than 100%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to equity owners of the Company, issue new shares, raise new debt financing or sell assets to reduce debt. As at 31 March 2012, 2013 and 2014 and 30 September 2014, the adjusted debt-to-capital ratio of the Group was 64.6%, 18.7%, 102.1% and 94.7%, respectively. As at 31 March 2014, the adjusted debt-to-capital ratio of the Group was relatively high and the directors of the Company regarded this situation was short term only.

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

22. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arise in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, pledged bank deposits and cash at banks. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers and debtors requiring credit over a certain amount. These evaluations focus on the past history of making payments of the customers/debtors when due and current ability to pay, and take into account information specific to the customers/debtors as well as pertaining to the economic environment in which the customers/debtors operate. For project contracts, the Group generally requires customers to settle billings in accordance with the contracted terms, whereas for sales of goods and provision of services, the Group generally requires customers to settle billings (a) immediately after the completion of related transactions or (b) in accordance with the contracted terms. Normally, the Group does not obtain collateral from customers.

Cash is deposited with financial institutions with sound credit ratings and the Group has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions will fail to meet their obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer/debtor rather than the industry or country in which the customers/debtors operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers/debtors. As at 31 March 2012, 2013 and 2014 and 30 September 2014, 16%, 12%, 15% and 15% of the trade debtors, respectively, were due from the Group's largest customer; and 53%, 64%, 55% and 49% of the trade debtors, respectively, were due from the Group's five largest customers.

The credit risk is also concentrated on amounts due from key management personnel of the Group. In order to minimise the credit risk, the management of the Group closely monitors the exposure and reviews the recoverable amounts of such receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

The Group does not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 13.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The contractual undiscounted cash flows of obligation under finance lease are disclosed in note 18. Save as the above, all other financial liabilities disclosed in the combined statements of financial position are required to be settled within one year or on demand and the total contractual undiscounted cash flows of these financial liabilities are not materially different from their carrying amounts as at 31 March 2012, 2013 and 2014 and 30 September 2014.

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank borrowings, cash at banks and pledged bank deposits. Bank borrowings, cash at banks and pledged bank deposits issued at variable rates expose the Group to cash flow interest rate risk.

The interest rate profile of the Group's interest-bearing financial instruments was:

The Group

		As at 31 March			**As at 30 September**
		2012	**2013**	**2014**	**2014**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Variable rate instruments					
Financial liabilities — bank overdrafts	*16*	(3,144)	(18)	—	—
— bank loans	*16*	(6,875)	(4,359)	(3,343)	(1,350)
Financial assets — cash at banks	*15*	27,919	20,341	13,949	18,366
— pledged bank deposits	*14*	2,889	2,898	—	—
Total net deposits		20,789	18,862	10,606	17,016

As at 31 March 2012, 2013 and 2014 and 30 September 2014, it is estimated that a general increase/decrease of 10 basis points in interest rates for bank borrowings and cash at banks and pledged bank deposits, with all other variables held constant, would increase/decrease the Group's profit for the year/period and retained earnings by approximately HK$17,000, HK$16,000, HK$9,000 and HK$7,000, respectively.

The sensitivity analysis above indicates annualised impact on the Group's net interest that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to floating rate instruments which expose the Group to cash flow interest rate risk at that date. The analysis has been performed on the same basis throughout the Track Record Period.

(d) Foreign currency exchange risk

For presentation purposes, the Group's financial information is shown in Hong Kong dollars (HKD). The companies within the Group, whose functional currencies are different from Hong Kong dollars, have translated their financial information into HKD for combination purpose.

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, being primarily United States dollars (USD).

As the HKD is pegged to the USD, the Company considers the risk of movements in exchange rates between the HKD and the USD to be insignificant.

In the opinion of the directors of the Company, a reasonably possible change in foreign exchange rates on the Group's financial instruments, which are denominated in a currency other than the functional currency of the entity to which they relate, is not expected to have significant impact to the Group in the near future, hence sensitivity analysis is not presented.

(e) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 March 2012, 2013 and 2014 and 30 September 2014.

23. OPERATING LEASE COMMITMENTS

As at 31 March 2012, 2013 and 2014 and 30 September 2014, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	As at 31 March			As at 30 September
	2012	**2013**	**2014**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 1 year	1,493	247	1,692	1,159

The Group is the lessee in respect of the Group's offices under operating leases. The leases typically run for an initial period of one to two years, with an option to renew when all terms are renegotiated. Lease payments are usually increased at the end of the lease term to reflect market rentals. None of the leases includes contingent rentals.

24. MATERIAL RELATED PARTY TRANSACTIONS

During the years ended 31 March 2012, 2013 and 2014 and six months ended 30 September 2014, the transactions or balances with the following parties were considered to be related party transactions:

Name of party	Relationship with the Group
Lee Cheong Yuen	Director and one of the Controlling Shareholders
Yong Man Kin	Director and one of the Controlling Shareholders
Chan Kwok Pui	Director and one of the Controlling Shareholders
Tam Kwok Wah	Director and one of the Controlling Shareholders
Leung Man Lun, Walter	One of the Group's key management personnel and director of ICO Technology and ICO Technology (China)
Ho Chak Keung	One of the Group's key management personnel and director of ICO Technology and ICO Technology (China)
Leung Kei Pui	One of the Group's key management personnel
Technix Technology Limited (formerly known as ICO Soft Limited)*	Beneficially owned and controlled by Lee Cheong Yuen, Yong Man Kin, Tam Kwok Wah and Chan Kwok Pui
Intellectual Capital Outsourcing Limited	Beneficially owned and controlled by Lee Cheong Yuen and Chan Kwok Pui
Raceline Holdings Limited	Non-controlling shareholder and beneficially owned and controlled by Leung Man Lun, Walter and Ho Chak Keung
Time Profit Group Limited	Beneficially owned and controlled by Leung Man Lun, Walter

* Technix Technology Limited ceased to be a related party of the Company since 1 April 2013.

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees of the Group as disclosed in note 9, is as follows:

	Year ended 31 March			Six months ended 30 September	
	2012	**2013**	**2014**	**2013**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Short-term employee benefits	7,219	6,356	6,526	3,107	3,274
Post-employment benefits	71	89	92	45	51
	7,290	6,445	6,618	3,152	3,325

Total remuneration is included in staff costs (see note 6(b)).

(b) Financing arrangements with related parties

As at the end of each reporting period, the Group has the following balances with related parties:

		Amounts owed to the Group by related parties				Amounts owned by the Group to related parties			
		As at 31 March			As at 30 September	As at 31 March			As at 30 September
		2012	2013	2014	2014	2012	2013	2014	2014
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amount due from Technix Technology Limited	*(i), (ii)*								
— outstanding balance		434	—	—	—	—	—	—	—
— less: Provision for bad and doubtful debts	*(iii)*	(422)	—	—	—	—	—	—	—
		12	—	—	—	—	—	—	—
Amounts due from/to members of key management personnel									
— Lee Cheong Yuen	*(i), (ii), (iii)*	4,822	5,166	1,604	1,611	—	—	—	—
— Yong Man Kin	*(i), (ii), (iii)*	922	1,086	—	—	—	—	4,271	2,763
— Chan Kwok Pui	*(i), (ii), (iii)*	1,299	853	—	—	—	—	510	495
— Tam Kwok Wah	*(i), (ii), (iii)*	497	2,146	1,313	1,321	—	—	—	—
— Leung Man Lun, Walter	*(i)*	—	—	—	—	754	—	—	—
— Ho Chak Keung	*(i)*	—	—	—	—	1	1	—	—
Amount due to Intellectual Capital Outsourcing Limited	*(i)*	—	—	—	—	855	792	—	—
Amount due to Time Profit Group Limited	*(i)*	—	—	—	—	300	—	—	—
Dividends paid to Raceline Holdings Limited	*(i)*	—	—	—	—	2,940	980	—	—
		7,552	9,251	2,917	2,932	4,850	1,773	4,781	3,258

Notes:

(i) The outstanding balances with these related parties are unsecured, interest free and have no fixed repayment terms. The amounts owed to the Group by related parties are included in "Trade and other receivables" (note 13) and the amounts owed by the Group to related parties are included in "Trade and other payables" (note 17).

(ii) The outstanding balances due from related parties as at 1 April 2011 and the maximum outstanding balances due from related parties during the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014 are as follows:

	Opening balance	Maximum balance outstanding			
		During the year ended 31 March			During six months ended 30 September
	At 1 April 2011	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amount due from Technix Technology Limited					
Outstanding balance before the provision for bad and doubtful debts (see note (iii) below)	422	434	436	—	—
Amounts due from members of key management personnel					
— Lee Cheong Yuen	5,121	6,125	5,251	5,176	1,611
— Yong Man Kin	921	924	1,086	1,130	N/A
— Tam Kwok Wah	498	500	2,147	2,157	1,321
— Chan Kwok Pui	909	1,300	1,407	863	N/A

(iii) Other than the provision of approximately HK$422,000 for amount due from Technix Technology Limited as at 31 March 2012, no provisions for bad or doubtful debts have been made in respect of these amounts due from related parties as at 31 March 2013 and 2014 and 30 September 2014.

During the year ended 31 March 2013, the amount due from Technix Technology Limited was settled and therefore the provision of approximately HK$422,000 was written back.

(c) Other related party transactions

The key management personnel of the Group have provided their personal guarantees to the banks for the banking facilities granted to the Group during the years ended 31 March 2012, 2013 and 2014 and the six months ended 30 September 2014. In addition, during the six months ended and as at 30 September 2014, a fixed deposit in name of Yong Man Kin has been pledged to a bank for banking facilities granted to a subsidiary of the Company. Details of such personal guarantees are disclosed in note 16.

25. DISPOSAL OF SUBSIDIARIES

During the year ended 31 March 2014, the Group disposed of its entire equity interests in ICO Technology (China) Limited ("ICO Technology (China)") and its subsidiary (part of IT Infrastructure Solutions segment) to an independent third party at an consideration of approximately HK$1,960,000. The Group had 70% equity interest in ICO Technology (China) and its subsidiary before the disposal.

(a) Details of net liabilities disposed of in respect of the disposal of ICO Technology (China) and its subsidiary are summarised as follows:

	HK$'000
Plant and equipment	645
Trade and other receivables	902
	1,547
Less: Impairment loss recognized	(1,202)
	345
Cash and cash equivalents	1,185
Trade and other payables	(1,749)
Net liabilities disposal of	(219)

(b) Disposal of subsidiaries:

	HK$'000
Consideration received	1,960
Net liabilities disposal of	219
Non-controlling interest	(2,215)
Release of exchange reserve upon the disposal	36
Profit/loss on disposal	—
Total consideration satisfied by:	
Consideration received in cash	1,960

(c) Net cash inflow arising from the disposal of subsidiaries:

Consideration received in cash	1,960
Less: Cash and cash equivalents disposed of	(1,185)
Net inflow of cash and cash equivalents in respect of the disposal of the subsidiaries	775

The subsidiaries disposed of during the year ended 31 March 2014 did not contribute significantly to the Group's results and cash flows.

26. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of issue of this Financial Information, the HKICPA has issued a number of amendments and new standards which are not yet effective for the Track Record Period and which have not been early adopted in this Financial Information. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRSs, Annual improvements to HKFRSs 2010–2012 Cycle	1 July 2014
Amendments to HKFRSs, Annual improvements to HKFRSs 2011–2013 Cycle	1 July 2014
Amendments to HKFRSs, Annual improvements to HKFRSs 2012–2014 Cycle	1 July 2016
HKFRS 9 "Financial Instruments"	1 January 2018
HKFRS 15 "Revenue from Contracts with Customers"	1 January 2017
Amendments to HKAS 16 and HKAS 38, *Clarification on Acceptable Methods of Depreciation and Amortisation*	1 January 2016

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's financial statements. In particular with reference to HKFRS 15 which would require the Group to assess the revenue recognition policy in respect of the contracts with customers using two approaches to recognising revenue (i.e., at a point in time or over time), given that (1) all the existing contracts with customers signed by the Group in respect of IT application and solution development segment would be substantially completed on or before 31 March 2017 and (2) revenue recognition for IT infrastructure solutions, secondment services, maintenance and support services segments under HKFRS 15 would be consistent with the accounting policies already adopted by the Group, the Group concluded that the adoption of HKFRS 15 is unlikely to have a significant impact on the Group's results of operations and financial position.

27. INFORMATION OF STATUTORY FINANCIAL STATEMENTS OF THE COMPANIES COMPRISING THE GROUP

The statutory financial statements of the companies, now comprising the Group, which were prepared in accordance with the relevant accounting rules and regulations applicable to enterprises in the People's Republic of China (the "PRC") or Hong Kong Financial Reporting Standards (the "HKFRSs") as appropriate, were audited during the Track Record Period by their respective statutory auditors as indicated below:

Name of company	**Financial years/period**	**Statutory auditors**
ICO Holdings Limited	Year ended 31 March 2012	Anova CPA Co.
	Years ended 31 March 2013 and 2014	Crowe Horwath (HK) CPA Limited
ICO Limited	Year ended 31 March 2012	Anova CPA Co.
	Years ended 31 March 2013 and 2014	Crowe Horwath (HK) CPA Limited
ICO Technology Limited	Year ended 31 March 2012	IMCL CPA Limited
	Years ended 31 March 2013 and 2014	Crowe Horwath (HK) CPA Limited
ICO Group Holdings Limited	For the period from 6 May 2013 (Date of incorporation) to 31 March 2014	Crowe Horwath (HK) CPA Limited
ICO Investments Limited	For the period from 18 April 2013 (Date of incorporation) to 31 March 2014	Crowe Horwath (HK) CPA Limited
Tian Li Shi Software Development (Shenzhen) Co. Ltd. *(note (i))* (天利時軟件開發(深圳)有限公司)	Years ended 31 December 2011, 2012 and 2013	Shen Zhen Bo Zhong C.P.A. Partnership (深圳博眾會計師事務所)

Note:

(i) The English translation of the name is for reference only and the official name of this entity is in Chinese.

28. INFORMATION RELATING TO NON-CONTROLLING INTERESTS

The following table lists out the information relating to ICO Technology Limited (ICOT), a subsidiary of the Group which has material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination:

	As at 31 March			As at 30 September
	2012	**2013**	**2014**	**2014**
	(HK$'000, except percentage)			
NCI percentage of ICOT	49%	49%	49%	49%
Current assets	46,625	33,581	32,228	46,771
Non-current assets	990	81	65	53
Current liabilities	(43,901)	(29,242)	(26,500)	(38,413)
Non-current liabilities	(13)	(11)	(9)	(9)
Net assets	3,701	4,409	5,784	8,402
Net liabilities attributable to NCI of ICOT's subsidiaries	(234)	(1,033)	—	—
Net assets attributable to owners of ICOT	3,935	5,442	5,784	8,402
Carrying amount of NCI	1,928	2,666	2,834	4,117

	Year ended 31 March			Six months ended 30 September
	2012	**2013**	**2014**	**2014**
Revenue	124,150	111,790	113,427	51,187
Profit for the year/period	7,218	664	4,530	2,618
Profit/loss for the year attributable to NCI of ICOT's subsidiaries	205	(812)	—	—
Profit for the year attributable to owners of ICOT	7,013	1,476	4,530	2,618
Total comprehensive income	7,294	708	4,530	2,618
Profit allocated to NCI	3,436	723	2,220	1,283
Dividend paid to NCI	1,470	—	3,234	—
Cash flows generated from/(used in) operating activities	14,869	(305)	(1,445)	12,460
Cash flows generated from/(used in) investing activities	(3,707)	(47)	3,651	(5)
Cash flows generated from/(used in) financing activities	(2,935)	(4,348)	(10,913)	(818)

29. SUBSEQUENT EVENTS

The following significant event took place subsequent to 30 September 2014:

(a) Group reorganisation

On 27 February 2015, the Group completed the Reorganisation to rationalize the Group's structure in the preparation for the listing of the Company's shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

Further details of the Reorganisation are set out in the section headed "Corporate Reorganisation" in Appendix IV to the prospectus. As a result of the Reorganisation the Company became the holding company of the Group.

D. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 September 2014.

Yours faithfully
Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong

Yau Hok Hung
Practising Certificate Number P04911

For illustrative purpose only, the unaudited pro forma financial information prepared in accordance with Rule 7.31 of the GEM Listing Rules is set forth below to provide the prospective investors with further information on how the proposed Placing might have affected the combined net tangible assets attributable to equity holders of the Company after the completion of the Placing.

The information set forth in this appendix does not form part of the Accountants' Report from Crowe Horwath (HK) CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information is derived according to a number of adjustments. Although reasonable care has been exercised in preparing such information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the actual financial position of the Group as at 30 September 2014 or any future dates.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial information" in this prospectus and the financial information section of the Accountants' Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted combined net tangible assets of the Group prepared in accordance with Rule 7.31 of the GEM Listing Rules is for illustrative purposes only, and is set forth herein to illustrate the effect of the Placing on the combined net tangible assets of the Group as at 30 September 2014 as if the Placing had taken place on 30 September 2014.

The unaudited pro forma statement of adjusted combined net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of financial position following the Placing. It is prepared based on our combined net tangible assets attributable to the equity owners of the Company as at 30 September 2014 as derived from our combined financial information set forth in the Accountants' Report in Appendix I to this prospectus, and adjusted as described below.

	Combined net tangible assets attributable to equity owners of the Company as at 30 September 2014	Estimated net proceeds from the Placing	Unaudited pro forma adjusted combined net tangible assets attributable to the equity owners of the Company	Unaudited pro forma adjusted combined net tangible assets attributable to the equity owners of the Company per Share
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*
Based on an Offer Price of HK$0.3 per Share	21,728	56,273	78,001	0.078
Based on an Offer Price of HK$0.4 per Share	21,728	80,273	102,001	0.102

Notes:

1. The combined net tangible assets attributable to equity owners of the Company as at 30 September 2014 are extracted from the Accountants' Report set forth in Appendix I to this prospectus, which is based on the combined net assets attributable to equity owners of the Company as at 30 September 2014 of approximately HK$21,763,000 with an adjustment for the intangible assets attributable to equity owners of the Company as at 30 September 2014 of approximately HK$35,000.

2. The estimated net proceeds from the Placing are based on the estimated placing prices of HK$0.3 per Share and HK$0.4 per Share respectively, after deduction of the estimated underwriting fees and other related expenses payable by the Company.

3. The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after the adjustments referred to Note (1) and (2) above and on the assumption that a total of 1,000,000,000 Shares are in issue immediately after completion of the Capitalisation Issue and the Placing.

4. The Company declared a dividend of HK$9,980,000 to its existing Shareholders which will be settled before the Listing. The above adjustment does not take into account this dividend. Taking into account the estimated net proceeds from the Placing at the Offer Price of HK$0.3 per Share and HK$0.4 per Share as well as the declared dividend of HK$9,980,000, the unaudited pro forma adjusted combined net tangible assets attributable to the equity owners of the Company per Share would have been approximately HK$0.068 and HK$0.092, respectively.

5. No adjustment has been made to reflect any operating results or other transactions of the Group entered into subsequent to 30 September 2014.

B. REPORT FROM THE REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from our Company's reporting accountants, Crowe Horwath (HK) CPA Limited, Certified Public Accountants, Hong Kong.

Crowe Horwath™

國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

9/F, Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

10 March 2015

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO DIRECTORS OF ICO GROUP LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information (the "Pro Forma Financial Information") of ICO Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") solely for illustrative purposes. The Pro Forma Financial Information consists of the unaudited pro forma statement of adjusted combined net tangible assets as at 30 September 2014 and related notes as set out on pages II-1 and II-2 of Appendix II of the prospectus issued by the Company dated 10 March 2015 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described on pages II-1 and II-2 of Appendix II of the prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed placing of the Company's new shares on the Group's financial position as at 30 September 2014 as if the placing of the Company's new shares had taken place at 30 September 2014. As part of this process, information about the Group's financial position as at 30 September 2014 has been extracted by the Directors from the Group's historical financial information included in the accountants' report as set out in Appendix I to the prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included in the prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2014 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future plans and use of proceeds" in the prospectus.

OPINION

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Pro Forma Financial Information as disclosed pursuant to Paragraph 7.31(1) of the GEM Rules.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong

Yau Hok Hung
Practising Certificate Number P04911

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of our Company and of certain aspects of Cayman Islands company law.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 26 April 2013 under the Companies Law. Our Company's constitutional documents consist of its Amended and Restated Memorandum of Association (the "Memorandum") and the Amended and Restated Articles of Association (the "Articles").

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum provides, *inter alia*, that the liability of members of our Company is limited and that the objects for which our Company is established are unrestricted (and therefore include acting as an investment company), and that our Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and since our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Cayman Islands.

(b) By special resolution our Company may alter the Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 3 March 2015 and effective on the Listing Date. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of our Company consists of ordinary shares.

(ii) Share certificates

Every person whose name is entered as a member in the register of members shall be entitled to receive a certificate for his shares. No shares shall be issued to bearer.

Every certificate for shares, warrants or debentures or representing any other form of securities of our Company shall be issued under the seal of our Company, and shall be signed autographically by one Director and the Secretary, or by 2 Directors, or by some other person(s) appointed by the Board for the purpose. As regards any certificates for shares or debentures or other securities of our Company, the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature other than autographic or may be printed thereon as specified in such resolution or that such certificates need not be signed by any person. Every share certificate issued shall specify the number and class of shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Board may from time to time prescribe. A share certificate shall relate to only one class of shares, and where the capital of our Company includes shares with different voting rights, the designation of each class of shares, other than those which carry the general right to vote at general meetings, must include the words "restricted voting" or "limited voting" or "non-voting" or some other appropriate designation which is commensurate with the rights attaching to the relevant class of shares. Our Company shall not be bound to register more than 4 persons as joint holders of any share.

(b) Directors

(i) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as our Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that upon the happening of a specified event or upon a given date and either at the option of our Company or the holder thereof, they are liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of our Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and our Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Law, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in our Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither our Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of our Company or any subsidiary

While there are no specific provisions in the Articles relating to the disposal of the assets of our Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by our Company and which are not required by the Articles or the Companies Law to be exercised or done by our Company in general meeting, but if such power or act is regulated by our Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iii) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by our Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors and their close associates which are equivalent to provisions of Hong Kong law prevailing at the time of adoption of the Articles.

Our Company shall not directly or indirectly make a loan to a Director or a director of any holding company of our Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of our Company or any of their respective close associates, or if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(v) Disclosure of interest in contracts with our Company or with any of its subsidiaries

With the exception of the office of auditor of our Company, a Director may hold any other office or place of profit with our Company in conjunction with his office of Director for such period and, upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer or member of any other company in which our Company may be interested, and shall not be liable to account to our Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by our Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with our Company, either as vendor, purchaser or otherwise, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with our Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any Share by reason that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to our Company.

A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or other proposal in which he or his close associate(s) is/are materially interested, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters namely:

(aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of our Company or any of its subsidiaries;

(bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any proposal concerning an offer of shares or debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors, his close associate(s) and employees of our Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates; or (ee) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company.

(vi) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board, or our Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree or failing agreement, equally, except that in such event any Director holding office for only a portion of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he has held office. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in our Company may be entitled by reason of such employment or office.

Any Director who, at the request of our Company performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with other companies (being subsidiaries of our Company or with which our Company is associated in business), or may make contributions out of our Company's monies to, such schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with our Company or any of its subsidiaries) and former employees of our Company and their dependents or any class or classes of such persons.

In addition, the Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vii) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of our Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of our Company and shall then be eligible for re-election.

At each annual general meeting, one third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of such notices will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting and the minimum length of the period during which such notices to our Company may be given must be at least 7 days.

A Director is not required to hold any shares in our Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to the Board or retirement therefrom.

A Director may be removed by an ordinary resolution of our Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and our Company) and our Company may by ordinary resolution appoint another in his place. The number of Directors shall not be less than two.

In addition to the foregoing, the office of a Director shall be vacated:

(aa) if he resigns his office by notice in writing delivered to our Company at the registered office or head office of our Company for the time being or tendered at a meeting of the Board;

(bb) if he dies or becomes of unsound mind as determined pursuant to an order made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;

(cc) if, without special leave, he is absent from meetings of the Board for six (6) consecutive months, and the Board resolves that his office is vacated;

(dd) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(ee) if he is prohibited from being a director by law;

(ff) if he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles;

(gg) if he has been validly required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director and the relevant time period for application for review of or appeal against such requirement has lapsed and no application for review or appeal has been filed or is underway against such requirement; or

(hh) if he is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with our Company for such period and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director or Directors and other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(viii) Borrowing powers

Pursuant to the Articles, the Board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of our Company and, subject to the Companies Law, to issue debentures, debenture stock, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party. The provisions summarized above, in common with the Articles of Association in general, may be varied with the sanction of a special resolution of our Company.

(ix) Register of Directors and officers

Pursuant to the Companies Law, our Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

(x) Proceedings of the Board

Subject to the Articles, the Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(c) Alterations to the constitutional documents

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of our Company may only be altered or amended, and the name of our Company may only be changed by our Company by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of our Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or in the case of a shareholder being a corporation, by its duly authorised representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(e) Alteration of capital

Our Company may, by an ordinary resolution of its members, (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; and (e) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; (g) change the currency of denomination of its share capital; and (h) reduce its share premium account in any manner authorised and subject to any conditions prescribed by law.

Reduction of share capital — subject to the Companies Law and to confirmation by the court, a company limited by shares may, if so authorised by its Articles of Association, by special resolution, reduce its share capital in any way.

(f) Special resolution — majority required

In accordance with the Articles, a special resolution of our Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which not less than 21 clear days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given. However, except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than 21 clear days' notice has been given.

Under Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution", by contrast, is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which not less than 14 clear days' notice has been given and held in accordance with the Articles. A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of our Company duly convened and held, and where relevant as a special resolution so passed.

(g) Voting rights (generally and on a poll) and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting on a show of hands, every member who is present in person or by proxy or being a corporation, is present by its duly authorised representative shall have one vote, and on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of our Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purpose as paid up on the share. Notwithstanding anything contained in the Articles, where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) (or its nominee(s)), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded or otherwise required under the rules of the stock exchange of the Relevant Territory (as defined in the Articles). A poll may be demanded by:

(i) the chairman of the meeting; or

(ii) at least two members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

(iii) any member or members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(iv) a member or members present in person or, in the case of a member being a corporation, by its duly authorised representative or by proxy and holding shares in our Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s), be a member of our Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of our Company or at any meeting of any class of members of our Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s), as if such person were an individual member including the right to vote individually on a show of hands.

Where our Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution of our Company or restricted to voting only for or only against any particular resolution of our Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(h) Annual general meetings

Our Company must hold an annual general meeting each year. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

(i) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the assets and liabilities of our Company and of all other matters required by the Companies Law necessary to give a true and fair view of the state of our Company's affairs and to show and explain its transactions.

The books of accounts of our Company shall be kept at the head office of our Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account or book or document of our Company except as conferred by the Companies Law or ordered by a court of competent jurisdiction or authorised by the Board or our Company in general meeting.

The Board shall from time to time cause to be prepared and laid before our Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of our Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), our Company may send summarized financial statements to shareholders who has, in accordance with the rules of the stock exchange of the Relevant Territory (as defined in the Articles), consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory (as defined in the Articles), and must be sent to the shareholders not less than 21 days before the general meeting to those shareholders that have consented and elected to receive the summarized financial statements.

Our Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by our Company in general meeting or by the Board if authority is so delegated by the members.

The auditors shall audit the financial statements of our Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(j) Notices of meetings and business to be conducted thereat

An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution must be called by at least 21 days' notice in writing, and any other extraordinary general meeting shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting, and particulars of the resolution(s) to be considered at that meeting, and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by our Company on any member either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in our Company's register of members or by leaving it at such registered address as aforesaid or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify our Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. Where the registered address of the member is outside Hong Kong, notice, if given through the post, shall be sent by prepaid airmail letter where available. Subject to the Companies Law and the Listing Rules, a notice or document may be served or delivered by our Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a website and notifying the member concerned that it has been so published.

Although a meeting of our Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of a meeting called as an annual general meeting, by all members of our Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the issued shares giving that right.

All business transacted at an extraordinary general meeting shall be deemed special business and all business shall also be deemed special business where it is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of Directors in place of those retiring;

(dd) the appointment of auditors;

(ee) the fixing of the remuneration of the Directors and of the auditors;

(ff) the granting of any mandate or authority to the Board to offer, allot, grant options over, or otherwise dispose of the unissued shares of our Company representing not more than 20% in nominal value of its existing issued share capital (or such other percentage as may from time to time be specified in the rules of the Stock Exchange) and the number of any securities repurchased by our Company since the granting of such mandate; and

(gg) the granting of any mandate or authority to the Board to repurchase securities in our Company.

(k) Transfer of shares

Subject to the Companies Law, all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve provided always that it shall be in such form prescribed by the Stock Exchange and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers in any case in which it in its discretion thinks fit to do so, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of our Company in respect thereof.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share option scheme upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which our Company has a lien.

The Board may decline to recognize any instrument of transfer unless a fee of such maximum sum as the Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to our Company in respect thereof, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules (as defined in the Articles), be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction with respect to the right of the holder thereof to transfer such shares (except when permitted by the Stock Exchange) and shall also be free from all liens.

(l) Power of our Company to purchase its own shares

Our Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of our Company subject to any applicable requirement imposed from time to time by the Articles, code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where our Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all members alike.

(m) Power of any subsidiary of our Company to own shares in our Company

There are no provisions in the Articles relating to the ownership of shares in our Company by a subsidiary.

(n) Dividends and other methods of distribution

Our Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

(i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share; and

(ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to our Company on account of calls, instalments or otherwise.

Where the Board or our Company in general meeting has resolved that a dividend should be paid or declared on the share capital of our Company, the Board may resolve:

(aa) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(bb) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Upon the recommendation of the Board, our Company may by ordinary resolution in respect of any one particular dividend of our Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, but in the case of joint holders, shall be addressed to the holder whose name stands first in the register of members of our Company in respect of the shares at his address as appearing in the register, or addressed to such person and at such address as the holder or joint holders may in writing so direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to our Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of our Company until claimed and our Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to our Company.

No dividend or other monies payable by our Company on or in respect of any share shall bear interest against our Company.

Our Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(o) Proxies

Any member of our Company entitled to attend and vote at a meeting of our Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of our Company or at a class meeting. A proxy need not be a member of our Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for use by him for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(p) Calls on shares and forfeiture of shares

The Board may from time to time make such calls as it may think fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced our Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice will name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and it shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to our Company all monies which, at the date of forfeiture, were payable by him to our Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

(q) Inspection of corporate records

Members of our Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of our Company. However, the members of our Company will have such rights as may be set forth in the Articles. The Articles provide that for so long as any part of the share capital of our Company is listed on the Stock Exchange, any member may inspect any register of members of our Company maintained in Hong Kong (except when the register of member is closed) without charge and require the provision to him of copies or extracts thereof in all respects as if our Company were incorporated under and were subject to the Companies Ordinance.

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or outside the Cayman Islands, as its directors may, from time to time, think fit.

(r) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(s) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of our Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(t) Procedures on liquidation

A resolution that our Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if our Company shall be wound up and the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, then the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if our Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, on the shares held by them respectively.

In the event that our Company is wound up (whether the liquidation is voluntary or compelled by the court) the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of our Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(u) Untraceable members

Our Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

In accordance with the Articles, our Company is entitled to sell any of the shares of a member who is untraceable if:

(i) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years;

(ii) upon the expiry of the 12 years and 3 months period (being the 3 months notice period referred to in sub-paragraph (iii)), our Company has not during that time received any indication of the existence of the member; and

(iii) our Company has caused an advertisement to be published in accordance with the rules of the stock exchange of the Relevant Territory (as defined in the Articles) giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the stock exchange of the Relevant Territory (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to our Company and upon receipt by our Company of such net proceeds, it shall become indebted to the former member of our Company for an amount equal to such net proceeds.

(v) Subscription rights reserve

Pursuant to the Articles, provided that it is not prohibited by and is otherwise in compliance with the Companies Law, if warrants to subscribe for shares have been issued by our Company and our Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

Our Company was incorporated in the Cayman Islands as an exempted company on 26 April 2013 subject to the Companies Law. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

As an exempted company, our Company must conduct its operations mainly outside the Cayman Islands. Moreover, our Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

In accordance with the Companies Law, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by our company subject to the provisions, if any, of its memorandum and articles of association, in such manner as our company may from time to time determine including, but without limitation, the following:

(i) paying distributions or dividends to members;

(ii) paying up unissued shares of our company to be issued to members as fully paid bonus shares;

(iii) any manner provided in section 37 of the Companies Law;

(iv) writing-off the preliminary expenses of our company; and

(v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of our company.

Notwithstanding the foregoing, the Companies Law provides that no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, our company will be able to pay its debts as they fall due in the ordinary course of business.

It is further provided by the Companies Law that, subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

The Articles include certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. The consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of our company when proposing to grant such financial assistance discharge their duties of care and acting in good faith, for a proper purpose and in the interests of our company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of our company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of our company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. Nonetheless, if the articles of association do not authorize the manner and terms of purchase, a company cannot purchase any of its own shares without the manner and terms of purchase first being authorised by an ordinary resolution of our company. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of our company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, our company shall be able to pay its debts as they fall due in the ordinary course of business.

Under Section 37A(1) the Companies Law, shares that have been purchased or redeemed by a company or surrendered to our company shall not be treated as cancelled but shall be classified as treasury shares if (a) the memorandum and articles of association of our company do not prohibit it from holding treasury shares; (b) the relevant provisions of the memorandum and articles of association (if any) are complied with; and (c) our company is authorised in accordance with our company's articles of association or by a resolution of the directors to hold such shares in the name of our company as treasury shares prior to the purchase, redemption or surrender of such shares. Shares held by a company pursuant to section 37A(1) of the Companies Law shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Law.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

With the exception of sections 34 and 37A(7) of the Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of our company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see sub-paragraph 2(n) of this Appendix for further details). Section 37A(7)(c) of the Companies Law provides that for so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of our company's assets (including any distribution of assets to members on a winding up) may be made to our company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss v. Harbottle* and the exceptions thereto) which permit a minority member to commence a representative action against or derivative actions in the name of our company to challenge:

(i) an act which is *ultra vires* our company or illegal;

(ii) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of our company; and

(iii) an irregularity in the passing of a resolution the passage of which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members thereof holding not less than one-fifth of the shares of our company in issue, appoint an inspector to examine the affairs of our company and, at the direction of the court, to report thereon.

Moreover, any member of a company may petition the court which may make a winding up order if the court is of the opinion that it is just and equitable that our company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions in the Companies Law on the power of directors to dispose of assets of a company, although it specifically requires that every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interest of our company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

Section 59 of the Companies Law provides that a company shall cause proper records of accounts to be kept with respect to (i) all sums of money received and expended by our company and the matters with respect to which the receipt and expenditure takes place; (ii) all sales and purchases of goods by our company; and (iii) the assets and liabilities of our company.

Section 59 of the Companies Law further states that proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of our company's affairs and to explain its transactions.

If our Company keeps its books of account at any place other than at its registered office or at any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2009 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, our Company has obtained an undertaking from the Governor-in-Cabinet:

(i) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to our Company or its operations; and

(ii) in addition, that no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by our Company:

(aa) on or in respect of the shares, debentures or other obligations of our Company; or

(bb) by way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision).

The undertaking for our Company is for a period of twenty years from 17 May 2013.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to our Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

The Companies Law contains no express provision prohibiting the making of loans by a company to any of its directors. However, the Articles provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of our company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of our company. They will, however, have such rights as may be set out in our company's articles of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as our company may determine from time to time. The Companies Law contains no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands.

(o) Winding up

A Cayman Islands company may be wound up either by (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company occurs where our Company so resolves by special resolution that it be wound up voluntarily, or, where our company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due; or, in the case of a limited duration company, when the period fixed for the duration of our company by its memorandum or articles expires, or where the event occurs on the occurrence of which the memorandum or articles provides that our company is to be wound up. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as our company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators shall be appointed for the purpose of winding up the affairs of our company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of our company has been disposed of, and thereupon call a general meeting of our company for the purposes of laying before it the account and giving an explanation thereof.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that (i) our company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of our company in the interests of the contributories and creditors. A supervision order shall take effect for all purposes as if it was an order that our company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon our company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, there may be appointed one or more persons to be called an official liquidator or official liquidators; and the court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one persons are appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of our company shall be in the custody of the court.

(p) Reconstructions

Reconstructions and amalgamations are governed by specific statutory provisions under the Companies Law whereby such arrangements may be approved by a majority in number representing 75% in value of members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member would have the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, nonetheless the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(q) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

(r) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, our Company's legal adviser on Cayman Islands law, has sent to our Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents Available for Inspection" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Our Company's incorporation and registration under Part XI of the Companies Ordinance

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 26 April 2013. Our Company has established a principal place of business in Hong Kong at 30/F, Siu On Centre, 188 Lockhart Road, Wanchai, Hong Kong and was registered as a non-Hong Kong company under Part XI of the Companies Ordinance on 30 July 2013 under the same address. Mr. Yong and Mr. Lee have been appointed as the authorised representatives for the acceptance of service of process and notices in Hong Kong.

Our Company was incorporated in the Cayman Islands and is subject to the Companies Law. Its constitution comprises the Memorandum and the Articles. A summary of various provisions of our Company's constitution and certain relevant aspects of the Companies Law is set out in Appendix III to this prospectus.

2. Change in share capital of our Company

(a) As at the date of incorporation our Company has an authorised share capital of HK$100,000,000 divided into 10,000,000,000 Shares of par value of HK$0.01 each. One Share was issued and allotted, credited as fully paid, to the subscriber which was transferred to Friends True on the same day.

(b) On 5 July 2013, our Company allotted and issued, credited as fully paid, 374 Shares, 390 Shares, 110 Shares and 125 Shares to Friends True, BIZ Cloud, Cloud Gear and Imagine Cloud respectively.

(c) Immediately following the completion of the Placing and the Capitalisation Issue, 1,000,000,000 Shares will be issued fully paid or credited as fully paid, and 9,000,000,000 Shares will remain unissued.

(d) Our Directors do not have any present intention to issue any of the authorised but unissued share capital of our Company, and, without the prior approval of the Shareholders at general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

(e) Save as disclosed in this prospectus, there has been no alteration in our Company's share capital since its incorporation.

3. Resolutions of the Shareholders

Pursuant to the resolutions in writing passed by all the Shareholders on 3 March 2015:

(a) our Company approved and adopted the Memorandum and the Articles with effect from the date of, and conditional upon, Listing;

(b) conditional on (1) the Stock Exchange granting the listing of, and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus and (2) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreement or otherwise, in each case on or before the day falling 30 days from the date of the prospectus:

(i) the Placing was approved and our Directors were authorised to allot and issue the Placing Shares pursuant to the Placing;

(ii) conditional on the share premium account of our Company being credited as a result of the issue of the Placing Shares, our Directors were authorised to capitalise HK$7,499,990 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 749,999,000 Shares for allotment and issue to the Shareholders whose names appear on the register of members of our Company at the close of business on 3 March 2015 (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a Share shall be allotted and issued) to their then existing shareholdings in our Company and so that the Shares allotted and issued shall rank pari passu in all respects with the then existing issued Shares and to authorise our Directors to give effect to the Capitalisation Issue.

4. Corporate Reorganisation

Our Group has undergone a reorganisation in preparation for the Listing of the Shares on GEM. Please refer to the paragraph "Reorganisation" under the section headed "History, reorganisation and corporate structure" in this prospectus for more details.

5. Changes in the Share Capital of Company's subsidiaries

Our Company's subsidiaries are referred to in the Accountants' Report, the text of which is set forth in Appendix I to this prospectus. Apart from the alterations described in paragraph "Corporate structure of our group" under the section headed "History, reorganisation and corporate structure" in this prospectus, no change in the share capital of the subsidiaries of our Company has taken place during the period within the two years immediately preceding the date of this prospectus.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into the ordinary course of business) have been entered into by the members of our Group within the two years immediately preceding the date of this prospectus that are or may be material:

(a) a sale and purchase agreement dated 1 April 2013 entered into between ICO Technology and Time Profit as vendors and Extendable Supports as purchaser, pursuant to which Extendable Supports agreed to purchase 100% equity interest in ICO Technology (China) from ICO Technology and Time Profit for a consideration of HK$2,800,000;

(b) a deed of assignment dated 1 April 2013 relating to a shareholder's loan of HK$5,192,300 given by ICO Technology and Time Profit in favour of Extendable Supports with the consent of ICO Technology (China) regarding the assignment of the said shareholder's loan to Extendable Supports;

(c) a share transfer agreement dated 27 February 2015 entered into between Mr. Lee and Mr. Chan as vendors and our Company as purchaser related to the acquisition of the entire issued share capital of Wide Ocean;

(d) a share transfer agreement dated 27 February 2015 entered into between Mr. Yong and Mr. Tam as vendors and our Company as purchaser related to the acquisition of the entire issued share capital of Great Talent;

(e) the Underwriting Agreement;

(f) the Deed of Indemnity; and

(g) the Deed of Non-competition.

2. Intellectual property rights

(a) Trademarks

As at the Latest Practicable Date, our Group had the right to use the following trademarks which are material to our business:

No.	Trademark	Class	Place of Registration	Registration number	Registered owner	Duration of validity
1.		9	Hong Kong	302627118	ICO Investments	3 June 2013 to 2 June 2023
2.		35	Hong Kong	302627118	ICO Investments	3 June 2013 to 2 June 2023
3.		38	Hong Kong	302627118	ICO Investments	3 June 2013 to 2 June 2023
4.		42	Hong Kong	302627118	ICO Investments	3 June 2013 to 2 June 2023
5.	"揚科"	9	Hong Kong	302693287	ICO Investments	2 August 2013 to 1 August 2023
6.	"揚科"	35	Hong Kong	302693287	ICO Investments	2 August 2013 to 1 August 2023
7.	"揚科"	38	Hong Kong	302693287	ICO Investments	2 August 2013 to 1 August 2023
8.	"揚科"	42	Hong Kong	302693287	ICO Investments	2 August 2013 to 1 August 2023
9.		9	Hong Kong	302698462	ICO Investments	8 August 2013 to 7 August 2023
10.		35	Hong Kong	302698462	ICO Investments	8 August 2013 to 7 August 2023
11.		38	Hong Kong	302698462	ICO Investments	8 August 2013 to 7 August 2023
12.		42	Hong Kong	302698462	ICO Investments	8 August 2013 to 7 August 2023
13.	"ICO"	35	Hong Kong	302692693AA	ICO Investments	2 August 2013 to 1 August 2023

(b) Domain names

As at the Latest Practicable Date, we had registered the following domain names:

Domain Name	Registered Owner	Expiry Date
ico.com.hk	ICO Limited	Null

Save as aforesaid, there are no other trade or service marks, patents, copyrights, other intellectual or industrial property rights which are materially in relation to our Group business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, MANAGEMENT AND STAFF

1. Disclosure of interests

(a) Save as disclosed herein and in the section headed "Further information about our business" in this Appendix, none of our Directors has any direct or indirect interest in the promotion of our Company or in any assets acquired or disposed of by or leased to any member of our Group or which are proposed to be acquired or disposed of by or leased to any member of our Group within the two years immediately preceding the date of this prospectus.

(b) Save as disclosed in the section headed "Further information about the business" and the paragraph "Particulars of service contracts" in this section in this Appendix, none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group.

2. Interests of Directors in the Reorganisation of our Group

Mr. Lee, Mr. Yong, Mr. Chan and Mr. Tam through their respective wholly-owned companies, namely, BIZ Cloud, Friends True, Cloud Gear and Imagine Cloud, are interested in the Reorganisation of our Group referred to in the paragraph "Reorganisation" under the section headed "History, Reorganisation and Group Structure" in this prospectus.

3. Interests and short positions of Directors in the share, underlying shares or debentures of our Company and its associated corporations

Immediately following the completion of the Placing and the Capitalisation Issue, the interests and short positions of our Directors and chief executive of our Company in the shares, underlying shares or debentures of our Company and its associated corporations (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, will be as follows:

Name of Director	Capacity and nature of interests	Number of Shares held	Approximate percentage of shareholding
Mr. Lee *(Notes 2 & 3)*	Interest held jointly with another person; interest of a controlled corporation	750,000,000 (L) *(Note 1)*	75%
Mr. Chan *(Notes 2 & 4)*	Interest held jointly with another person; interest of a controlled corporation	750,000,000 (L) *(Note 1)*	75%

Name of Director	Capacity and nature of interests	Number of Shares held	Approximate percentage of shareholding
Mr. Yong *(Notes 2 & 5)*	Interest held jointly with another person; interest of a controlled corporation	750,000,000 (L) *(Note 1)*	75%
Mr. Tam *(Notes 2 & 6)*	Interest held jointly with another person; interest of a controlled corporation	750,000,000 (L) *(Note 1)*	75%

Notes:

1. The letter "L" denotes a long position in the shareholder's interest in the share capital of our Company.

2. On 27 February 2015, our ultimate Controlling Shareholders, namely, Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam, entered into the Confirmation Deed to acknowledge and confirm, among other things, that they were parties acting in concert of each of the members of our Group during the Track Record Period, details of which are set out in the paragraph "Parties acting in concert" under the section headed "History, reorganisation and group structure" in this prospectus. As such, our ultimate Controlling Shareholders together control 75% interest in the share capital of our Company through BIZ Cloud, Cloud Gear, Friends True and Imagine Cloud. As a result, each of our ultimate Controlling Shareholders is deemed to be interested in such 75% interest in the share capital of our Company.

3. Shares in which Mr. Lee is interested consist of (i) 292,500,000 Shares held by BIZ Cloud, a company wholly owned by Mr. Lee, and (ii) 457,500,000 Shares in which Mr. Lee is deemed to be interested as a result of being a party acting-in-concert with Mr. Chan, Mr. Yong and Mr. Tam.

4. Shares in which Mr. Chan is interested consist of (i) 82,500,000 Shares held by Cloud Gear, a company wholly owned by Mr. Chan, and (ii) 667,500,000 Shares in which Mr. Chan is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee, Mr. Yong and Mr. Tam.

5. Shares in which Mr. Yong is interested consist of (i) 281,250,000 Shares held by Friends True, a company wholly owned by Mr. Yong, and (ii) 468,750,000 Shares in which Mr. Yong is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee, Mr. Chan and Mr. Tam.

6. Shares in which Mr. Tam is interested consist of (i) 93,750,000 Shares held by Imagine Cloud, a company wholly owned by Mr. Tam, and (ii) 656,250,000 Shares in which Mr. Yong is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee, Mr. Yong and Mr. Chan.

4. Directors' Competing Interests

None of our Directors is interested in any business apart from our Group's business which competes or is likely to complete, directly or indirectly, with the business of our Group.

5. Interest of substantial and other Shareholders in the Shares and underlying Shares

A summary of substantial shareholders is set out in the section headed "Substantial shareholders" of this prospectus.

6. Related party transactions

Details of the material related party transactions are set out under Note 24 on the Accountants Report set out in Appendix I in this prospectus.

7. Disclaimers

Save as disclosed in this prospectus, as at the Latest Practicable Date:

(a) and taking no account of any Shares which may be taken up or acquired under the Placing, our Directors are not aware of any person who immediately following completion of the Placing and the Capitalisation issue will have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, either directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company or any other members of our Group;

(b) none of our Directors or chief executive of our Company has for the purpose of Divisions 7 and 8 of Part XV of the SFO or the GEM Listing Rules, nor is any of them taken to or deemed to have under Divisions 7 and 8 of Part XV of the SFO, an interest or short position in the shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of the SFO) or any interests which will have to be entered in the register to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules once the Shares are listed on the Stock Exchange;

(c) none of our Directors nor the experts named in the paragraph "Consents" below has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group or is an officer or servant or in employment of an officer or servant of our Group;

(d) none of our Directors or the experts named in the paragraph "Consents" below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(e) none of our Directors or the experts named under the paragraph headed "Consents" below is interested in the promotion of our Company, or in any assets which have been within the two years immediately preceding the issue of this prospectus acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(f) save as contemplated under the Underwriting Agreement, none of our Directors, their respective close associates (as defined in the GEM Listing Rules), or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in our Company's five largest customers and five largest suppliers.

8. Particulars of service contracts

Each of our executive Directors, non-executive Directors and independent non-executive Directors, has entered into a service agreement with our Company for an initial term of three years commencing from the Listing Date unless terminated earlier.

Save as disclosed above, none of our Directors has entered into a letter of appointment with any member of our Group (other than contracts expiring or determinable by our Group within one year without the payment of compensation (other than statutory compensation)).

Under the above service contracts, conditional upon Listing, the basic annual remuneration (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to each of the Directors will be as follows:

Directors	*HK$'000*
Executive Directors	1,644
Non-executive Directors	180
Independent non-executive Directors	150

D. OTHER INFORMATION

1. Estate duty and tax indemnity

The Controlling Shareholders (together, the "Indemnifiers") have entered into the Deed of Indemnity with and in favor of our Company (being the contract referred to in the section headed "Summary of material contracts" in this Appendix) to provide indemnities on a joint and several basis against, among other things, any estate duty, death duty, inheritance tax, succession duty or any other similar tax or duty which is or becomes payable by our Company or any of its subsidiaries by the operation of any estate duty, death duty, inheritance tax, succession duty or any other similar legislation in Hong Kong, the PRC or any other relevant jurisdiction as a result or in consequence of any event or transaction occurring on or before the Listing Date.

The Deed of Indemnity contained indemnities given jointly and severally by the Indemnifiers in respect of any failure, delay or defect of corporate or regulatory non-compliance under, or any breach of any provisions of, the Predecessor Companies Ordinance, Companies Ordinance, Inland Revenue Ordinance and the law and regulations of the PRC as detailed in the section headed "Business" under paragraphs headed "Non-compliance with the Predecessor Companies Ordinance", "Potential failure to file tax returns for individuals who are not employees", "Non-registration of lease in the PRC" and "Non-compliance with the tax law and regulations of the PRC" and any other breach of any provision of the Predecessor Companies Ordinance, the Companies Ordinance or any other applicable laws, rules or regulations of any jurisdictions on or before the Listing Date.

The Deed of Indemnity also contained indemnities given jointly and severally by the Indemnifiers in respect of taxation resulting from income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received on or before the Listing Date which might be payable by any member of our Group. The Indemnifiers shall be under no liability under the Deed of Indemnity in respect of taxation:

(a) to the extent that provisions have been made for such taxation in the audited accounts of any Group members of our Group up to the end of the Track Record Period;

(b) for which any members of our Group is liable as a result of any event occurring or income, profits earned, accrued or received or alleged to have been earned, accrued or received or transactions entered into in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after the Track Record Period;

(c) to the extent that such taxation or liability would not have arisen but for any act or omission by any members of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) voluntarily affected without the prior written consent or agreement of the Indemnifiers (such consent or agreement not to unnecessary withheld), otherwise than in the ordinary course of business after the Relevant Date or carried out, made or entered into pursuant to a legally binding commitment created after the Track Record Period;

(d) to the extent that such taxation or liability is discharged by another person who is not our Company or any members of our Group and that our Company or such member of our Group is not required to reimburse such person in respect of the discharge of the taxation or liability; and

(e) to the extent that such taxation claim arises or is incurred as a consequence of any retrospective change in the law or in the interpretation or practice thereof by the Hong Kong IRD or the tax authorities or any other authority in any part of the world coming into force after the Track Record Period or to the extent such taxation claim arises or is increased by an increase in the rates of Taxation after the Track Record Period with retrospective effect.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, save and except the Miscellaneous Proceedings numbered 1751 of 2013 and 1752 of 2013 referred to in the paragraph "Legal compliance" in Business section to this prospectus, neither our Company nor any member of our Group was engaged in any litigation, arbitration or administrative proceedings was known to our Directors to be pending or threatened against our Company or any member of our Group, that would have a material adverse effect on our business, result of operations or financial condition.

3. Sole Sponsor

The Sponsor has made an application on behalf of our Company to the Stock Exchange for the Listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any Shares falling to be issued pursuant to the Placing and the Capitalisation Issue).

4. Sponsor's fee

The Sponsor's fee is HK$4,500,000.

5. Preliminary expenses

The estimated preliminary expenses of our Company are estimated to be approximately HK$25,000 and are payable by our Company.

6. Promoter

Our Company has no promoter.

7. Qualifications of experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this prospectus:

Name	Qualification
New Spring Capital Limited	Licenced corporation permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO
Crowe Horwath (HK) CPA Limited	Certified Public Accountants
Lau & Au Yeung C.P.A. Limited	Certified Public Accountants
Zhong Lun Law Firm	PRC legal adviser in relation to PRC law
Appleby	Cayman Islands legal adviser
Tso Au Yim & Yeung	Hong Kong legal adviser

8. Consents

Each of the experts referred to in paragraph 7 above has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or legal opinion (as the case may be) and/or the references to their names in the form and context in which they are respectively included.

9. Binding effect

This prospectus shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

10. Compliance Adviser

In accordance with the requirements of the GEM Listing Rules, our Company has appointed New Spring Capital Limited as its compliance adviser to provide consultancy services to our Company to ensure compliance with the GEM Listing Rules for a period commencing on the Listing Date and ending on the date on which our Company complies with the GEM Listing Rules in respect of its financial results for the second full financial year ending 31 March 2017.

11. Miscellaneous

(a) Save as disclosed herein:

(i) within the two years immediately preceding the date of this prospectus:

(aa) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or for a consideration other than cash;

(bb) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(cc) no commission, discount, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries; and

(dd) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of its subsidiaries;

(ii) there are no founder, management or deferred shares;

(iii) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 30 November 2013 (being the date to which the latest audited financial statements of our Group were made up);

(iv) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 24 months preceding the date of this prospectus;

(v) no company with our Group is presently listed on any stock exchange or traded on any trading system;

(vi) the English text of this prospectus shall prevail over the Chinese text; and

(vii) all necessary arrangements have been made to enable the Shares to be admitted into CCASS.

(b) Subject to the provisions of the Companies Law, the principal register of members of our Company will be maintained in the Cayman Islands by Appleby Trust (Cayman) Ltd. and a branch register of members of our Company will be maintained in Hong Kong by Union Registrars Limited. Unless our Directors otherwise agree, all transfers and other documents of title of the Shares must be lodged for registration with and registered by, our Company's branch share registrar in Hong Kong and may not be lodged in the Cayman Islands.

12. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by Section 4 of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were the written consents referred to in the paragraph "Consents" in the section headed "Other information" of Appendix IV to this prospectus; and copies of the material contracts referred to in the paragraph "Summary of material contracts" in the section headed "Further information about our business" in Appendix IV to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Tso Au Yim & Yeung, Solicitors at 2/F., Beautiful Group Tower, 74–77 Connaught Road Central, Hong Kong during the normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum and Articles of Association of our Company;

(b) the accountants' report of our Group prepared by Crowe Horwath (HK) CPA Limited, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Group for the financial years ended 31 March 2012, 2013, 2014 and the six months ended 30 September 2014;

(d) the letter on unaudited pro forma financial information issued by Crowe Horwath (HK) CPA Limited, the text of which is set out in Appendix II to this prospectus;

(e) the Companies Law;

(f) the legal advice issued by Appleby summarizing certain aspects of Cayman Islands company law referred to in Appendix III to this prospectus;

(g) the legal opinions issued by Tso Au Yim & Yeung in respect of certain aspects of our Group as to the Hong Kong law;

(h) the legal opinions issued by Zhong Lun Law Firm in respect of certain aspects of our Group as to the PRC law;

(i) the service contracts referred to in the paragraph "Particulars of service contracts" in the section headed "Further information about our directors, management and staff" in Appendix IV to this prospectus;

(j) the material contracts referred to in the paragraph "Summary of material contracts" under the section headed "Further information about our business" in Appendix IV to this prospectus; and

(k) the written consents referred to in the paragraph "Consents" in the section headed "Other information" in Appendix IV to this prospectus.

ICO Group Limited
揚科集團有限公司