

SUMMARY

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

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

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

We charge our customers on a fixed price basis; our fees 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 not experienced any 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, 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.

SUMMARY

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.

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

	Year ended 31 March				Three months ended 30 June			
	2013		2014		2013		2014	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(Unaudited)							
IT application and solution development	25,995	13.3	21,679	11.4	6,578	15.2	3,174	8.3
Secondment services	42,812	21.8	40,660	21.4	9,316	21.5	10,746	28.1
Maintenance and support services	18,825	9.6	19,614	10.3	4,252	9.8	4,833	12.6
IT infrastructure solutions	<u>108,520</u>	<u>55.3</u>	<u>108,031</u>	<u>56.9</u>	<u>23,211</u>	<u>53.5</u>	<u>19,551</u>	<u>51.0</u>
	<u>196,152</u>	<u>100.0</u>	<u>189,984</u>	<u>100.0</u>	<u>43,357</u>	<u>100.0</u>	<u>38,304</u>	<u>100.0</u>

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 [REDACTED].

Deteriorating financial performance

We recorded a revenue of approximately HK\$196.2 million and HK\$190.0 million for each of the two years ended 31 March 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 HK\$43.4 million for the three months ended 30 June 2013 to HK\$38.3 million for the three months ended 30 June 2014. The decrease was mainly due to (i) the completion of large-scale IT application and solution development projects during the year ended 31 March 2014; (ii) we allocated additional numbers of technical staff to prepare the bidding for a government tender as referred in the paragraph "Recent development subsequent to Track Record Period" in the section headed "Financial information" in this [REDACTED]; (iii) there were delays in the tender awarding process of IT

SUMMARY

application and solution projects from government and statutory bodies; and (iv) 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 solution, net profits, operating cash flows and cash and, cash equivalents. Please refer to "Selected financial information" in this section for details. Subsequent to the Track Record Period and up to the Latest Practicable Date, we have been awarded five IT application and solution development projects. Please refer to "Recent development subsequent to 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 [REDACTED] 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 due to our Directors inadvertently overlooked the borrowing covenant when considering the declaration of dividends and our Company did not receive any notice from the bank in relation to the breach of covenant. However, such breach had no significant financial impact on our Group's combined financial statements. In August 2012, the bank loan has been 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 [REDACTED] for details.

The Sponsor is of the view that these past non-compliances do not involve any dishonesty on the part of our Directors or impugn on their integrity or competence and do not affect their suitability to act as directors of a listed issuer under Rules 5.01, 5.02 and 11.07 of the GEM Listing Rules and the suitability for listing of our Company under Rule 11.06 of the GEM Listing Rules.

SUMMARY

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 [REDACTED] and should be read in conjunction with it.

Selected combined statements of comprehensive income

	Year ended 31 March		Three months ended 30 June	
	2013 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
			(Unaudited)	
Turnover	<u>196,152</u>	<u>189,984</u>	<u>43,357</u>	<u>38,304</u>
Gross profit	<u>45,360</u>	<u>39,027</u>	<u>9,466</u>	<u>8,747</u>
Profit/(loss) from operations	<u>17,879</u>	<u>2,583</u>	<u>1,491</u>	<u>(33)</u>
Profit/(loss) before taxation	<u>16,315</u>	<u>2,436</u>	<u>1,445</u>	<u>(79)</u>
Profit/(loss) for the year/period	<u><u>12,797</u></u>	<u><u>630</u></u>	<u><u>805</u></u>	<u><u>(230)</u></u>
Other comprehensive income/(loss) for the year/period	<u><u>(5)</u></u>	<u><u>(20)</u></u>	<u><u>(79)</u></u>	<u><u>3</u></u>
Total comprehensive income/(loss) for the year/period	<u><u>12,792</u></u>	<u><u>610</u></u>	<u><u>726</u></u>	<u><u>(227)</u></u>
Attributable to equity owners of our Company and non-controlling interests	<u><u>12,792</u></u>	<u><u>610</u></u>	<u><u>726</u></u>	<u><u>(227)</u></u>

SUMMARY

Gross profit and gross profit margin by segments

	Year ended 31 March				Three months ended 30 June			
	2013		2014		2013		2014	
	<i>Gross profit margin</i>		<i>Gross profit margin</i>		<i>Gross profit margin</i>		<i>Gross profit margin</i>	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
	(Unaudited)							
IT application and solution development	9,720	37.4	10,458	48.2	2,928	44.5	1,448	45.6
Secondment services	11,918	27.8	10,705	26.3	1,914	20.5	3,660	34.1
Maintenance and support services	7,522	40.0	6,454	32.9	2,434	57.2	2,217	45.9
IT infrastructure solutions	<u>16,200</u>	<u>14.9</u>	<u>11,410</u>	<u>10.6</u>	<u>2,190</u>	<u>9.4</u>	<u>1,422</u>	<u>7.3</u>
	<u>45,360</u>	<u>23.1</u>	<u>39,027</u>	<u>20.5</u>	<u>9,466</u>	<u>21.8</u>	<u>8,747</u>	<u>22.8</u>

Our gross profit decreased by approximately HK\$6.4 million or 14.1%, 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. Similarly, our gross profit slightly decreased by approximately HK\$0.7 million or 7.6% from approximately HK\$9.5 million for the three months ended 30 June 2013 to approximately HK\$8.8 million for the three months ended 31 March 2014.

Our gross profit margin on IT infrastructure solutions dropped from 14.9% for the year ended 31 March 2013 to 10.6% for the year ended 31 March 2014. This is 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. Likewise, there was a decrease of 2.1% in our gross profit margin on IT infrastructure solutions, from 9.4% for the three months ended 30 June 2013 to 7.3% for the three months ended 30 June 2014. This decrease was mainly due to that we offer new line of products/services to the market at competitive prices with lower gross profit margins.

Net profit

Our net profit decreased from approximately HK\$12.8 million for the year ended 31 March 2013 to HK\$0.6 million for the year ended 31 March 2014 primarily due to the decrease in our gross profit by approximately HK\$6.2 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 decreased from approximately HK\$805,000 for the three months ended 30 June 2013 to a net loss of approximately HK\$230,000 for the three months ended 30 June 2014. The change is due to the decrease in gross profit and increase in general and administrative expenses.

SUMMARY

Selected cash flow items

	Year ended 31 March		Three months ended	
			30 June	
	2013	2014	2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(Unaudited)	
Net cash generated from/(used in) operating activities	4,625	2,385	(1,450)	(996)
Net cash (used in)/generated from investing activities	(184)	3,518	3,606	(62)
Net cash used in financing activities	(8,276)	(13,496)	(3,905)	(2,136)
Cash and cash equivalents at beginning of year/period	25,418	21,598	21,598	14,005
Effect on changes in foreign exchange rate	<u>15</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash and cash equivalents at end of year/period	<u><u>21,598</u></u>	<u><u>14,005</u></u>	<u><u>19,849</u></u>	<u><u>10,811</u></u>

Our operating cash flow was approximately HK\$4.6 million and HK\$2.4 million for each of the two years ended 31 March 2013 and 2014 respectively. The decrease is primarily attributable to the decrease in our turnover. Our operating net cash outflow for the three months ended 30 June 2013 was approximately HK\$1,450,000 and our net cash used in operating activities was approximately HK\$1.0 million for the three months ended 30 June 2014. Such decrease was mainly due to the decrease in our turnover.

Our Group had a net cash outflow from investing activities of approximately HK\$184,000 and a net cash inflow of approximately HK\$3.5 million for each of the two years ended 31 March 2013 and 2014. Whereas, our Group had a net cash inflow from investing activities of approximately HK\$3.6 million and a net cash outflow of approximately HK\$62,000 for each of the three months ended 30 June 2013 and 30 June 2014.

Our Group had net cash outflow from financing activities of approximately HK\$8.3 million and HK\$13.5 million for each of the two years ended 31 March 2013 and 2014 respectively. The increase in net cash outflow over the Track Record Period was mainly attributable to payment of dividends. In contrast, there was a decrease in net cash outflow from financing activities from approximately HK\$3.9 million for the three months ended 30 June 2013 to HK\$2.1 million for the three months ended 30 June 2014.

Consequently, we recorded a decline in our cash and cash equivalents. As at 31 March 2013 and 31 March 2014, we had cash and cash equivalents of approximately HK\$21.6 million and HK\$14.0 million respectively. As at 30 June 2013 and 30 June 2014, we had cash and cash equivalents of approximately HK\$19.8 million and HK\$10.8 million.

SUMMARY

Selected combined statements of financial position

	As at 31 March		As at
	2013	2014	30 June
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	837	1,220	1,157
Current assets	69,757	61,888	54,629
Non-current liabilities	(82)	(310)	(221)
Current liabilities	(34,162)	(38,778)	(31,772)
Net current assets	35,595	23,110	22,857
Total assets less current liabilities	36,432	24,330	24,014

Impact on our financial results due to expenses incurred in relation to the [REDACTED]

Our Directors estimate that the total Listing expenses are approximately [REDACTED], of which approximately [REDACTED] is chargeable to profit and loss account and approximately [REDACTED] will be charged to equity upon [REDACTED]. We incurred [REDACTED] and [REDACTED] of Listing expenses during the year ended 31 March 2014 and the three months ended 30 June 2014 respectively. We expect to incur an additional cost of approximately [REDACTED] in the Listing expenses for the year ending 31 March 2015. Expenses in relation to the [REDACTED] 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 [REDACTED], and for the year ending 31 March 2015 is expected to be significantly affected by the estimated expenses in relation to the [REDACTED].

SUMMARY

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		As at/for the
	31 March		three months
	2013	2014	ended 30 June 2014
Current ratio	2.0	1.6	1.7
Quick ratio	2.0	1.6	1.7
Gearing ratio	12.0%	15.9%	19.2%
Debt to equity ratio	N/A	N/A	N/A
Return on assets	18.1%	1.0%	(0.4)%
Return on equity	35.2%	2.6%	(1.0)%
Interest coverage	46.1	17.6	(0.7)

OUR MAJOR CUSTOMERS AND SUPPLIERS

Customers

Our Group's customers include government and statutory bodies, financial institutions and enterprises of various scales. For each of the years ended 31 March 2013 and 2014, we had approximately 198 and 137 customers respectively. For each of the two years ended 31 March 2013 and 2014, the revenue from our five largest customers accounted for approximately 53.8% and 49.8% of our revenue respectively, while the revenue from the largest customer accounted for approximately 16.1% and 14.5% of our revenue respectively. For the three months ended 30 June 2014, we had 81 customers. For the three months ended 30 June 2014, the revenue from our five largest customers accounted for approximately 55.4% of our revenue and the revenue from the largest customer accounted for approximately 20.1% 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 D)

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 D) during the Track Record Period. As 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 D and we purchased products from Supplier D for our provision of IT application and solution development (other than the projects of Customer C) and IT infrastructure solutions.

The aggregate 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 10.3% and 9.6% of our revenue for each of the years ended 31 March 2013 and 2014 and approximately 9.9% of our revenue for the three months ended 30 June 2014. The cost of products

SUMMARY

purchased from Supplier D in association with our provision of IT application and solution development and IT infrastructure solutions accounted for approximately 4.0%, 12.5% and 13.9% 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 50.1%, 56.1% and 50.2% of our total cost of sales for each of the two years ended 31 March 2013 and 2014 and the three months ended 30 June 2014, respectively. Purchases from our largest supplier accounted for approximately 19.6%, 20.1% and 18.8% 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 4.9% 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 [REDACTED] for further details.

SUMMARY

BUSINESS OBJECTIVES AND STRATEGIES

We intend to expand our market presence and strengthen our market position in Hong Kong by pursuing the following strategies:

1. Expanding our professional team and enhancing our service quality

We intend to provide internal and external continuous professional training programmes for our staff to follow the technological changes and industry standard as well as training for the professional team to enhance its service recognition. We also intend to increase the headcount of our professional team to enhance the efficiency and quality of our daily operations. Furthermore, we intend to further develop and enhance our QMS and internal control system.

2. Expanding our IT application and solution development business

We intend to use a portion of the net proceeds to contribute towards security sums that may be requested by customers to ensure our due performance during the term of the contract in order to maintain our liquidity before the receipt of payment from our customers. By increasing our pool of security sum for financing our engagements in IT application and solution development projects, we believe this would allow us to seize further opportunities in engaging in more large-scale projects concurrently. We also intend to expand our portfolio of services and continue to explore business opportunities with multi-national clients in various industries.

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

Although we had not identified any suitable targets as at the Latest Practicable Date, we intend 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 through mergers, acquisitions or business collaborations. We intend to acquire or merge with companies with readily available distribution or reseller licence of IT-related products and/or companies offering secondment services or create new alliances with like-businesses in the region.

4. Purchasing and leasing new office premises as well as equipping and renovating the premises

We intend to purchase an office premises, renovate the office and equip the premises with facilities and equipment. Given the fluctuating rental expenses in Hong Kong and the requirements of a larger floor area for setting up IT equipment, our Directors intend to purchase a new office premises in less prime location. We also intend to lease additional office premises to cope with our Group's expanding business. As at the Latest Practicable Date, we had not identified suitable premises for purchase or leasing.

5. Starting a research and development team

We intend to establish a research and development team to brainstorm innovative ideas for new business projects and services (including hosting services, and developing Cloud and mobile applications) and enhance the quality of our established services.

SUMMARY

6. Strengthening our marketing efforts

We intend to promote our brand name, generate goodwill and build and strengthen connections with potential clients and professional parties through (i) engaging an independent public relations firm; (ii) organising more seminars and client relationship events; (iii) participating in more industry exhibitions; (iv) advertising in industry magazine(s) and public electronic media; and (v) enhancing our mobile application to directly promote our Group and services.

Please refer to the paragraph headed "Our business strategies" under the section headed "Business" in this [REDACTED] for further details.

FUTURE PLANS AND USE OF PROCEEDS

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

- Approximately [REDACTED], representing approximately [REDACTED] of the net proceeds, for purchasing and leasing new office premises as well as equipping and renovating the premises;
- Approximately [REDACTED], representing approximately [REDACTED] of the net proceeds, for expanding our professional team and enhancing our service quality;
- Approximately [REDACTED], representing approximately [REDACTED] of the net proceeds for growing our business strategically through merger, acquisition or business collaboration;
- Approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the net proceeds, for expanding our IT application and solution development business;
- Approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the net proceeds for starting a research and development team;
- Approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the net proceeds for strengthening our marketing efforts; and
- Approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the net proceeds, for working capital and other general corporate purposes.

Please refer to the paragraph headed "Use of proceeds" under the section headed "Future plans and use of proceeds" in this [REDACTED] for further details.

SUMMARY

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 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 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 [REDACTED]% interest in the share capital of our Company upon completion of the [REDACTED] 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 [REDACTED]" and our deteriorating financial performance as set out under the paragraph headed "Recent Development subsequent to Track Record Period" 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 June 2014, being the date to which our latest audited financial statements were prepared, and up to the date of this [REDACTED].

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 two years ended 31 March 2013 and 2014 were approximately HK\$3.6 million and HK\$15.1 million respectively. As at the Latest Practicable Date, unpaid dividends amounted to approximately HK\$225,000 which will be settled by internal resources.

RISK FACTORS

There are risks involved in our operations, many of which are beyond our control. Such risks include, among others (i) cost overruns or delays that we may encounter in our IT application and solution development projects; (ii) 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; (iii) net cash outflows during the implementation of IT application and solution development projects; (iv) the lack of long term contracts for IT application and solution development projects; and (v) reliance on our top five customers.

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 [REDACTED].

SUMMARY

RECENT DEVELOPMENT SUBSEQUENT TO TRACK RECORD PERIOD

The following is a summary of our selected unaudited financial information for the six months ended 30 September 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 six months ended 30 September 2014, our turnover decreased by approximately 3.9% from approximately HK\$92.3 million for the six months ended 30 September 2013 to approximately HK\$88.7 million for the six months ended 30 September 2014.

We recorded gross profit of approximately HK\$16.9 million and HK\$20.7 million, representing a gross profit margin of approximately 18.3% and 23.4% for the six months ended 30 September 2013 and 2014 respectively.

Our Directors confirm that we did not have any material non-recurring income or expenses for the six months ended 30 September 2014 save for expenses incurred in relation to the [REDACTED]. As at 30 September 2014, approximately 62.0% of outstanding trade debtors as at 30 June 2014 have been subsequently settled. Our bank borrowing amounted to approximately HK\$4.2 million as at 30 June 2014. As at the Latest Practicable Date, unutilised banking facilities amounted to approximately HK\$5.2 million.

As at the Latest Practicable Date, our Group had a total of 15 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). Subsequent to the Track Record Period and up to the Latest Practicable Date, we have been awarded five IT application and solution development projects with contract sum of over HK\$1 million. The five contracts have a total contract sum of approximately HK\$16.1 million, of which four contracts were awarded with the end customers being government bodies and the total contract sum is approximately HK\$14.6 million, and one contract was awarded by an existing client from private sector. The duration of these five projects ranged from 8 to 18 months. As at the Latest Practicable Date, we have commenced work for these five projects.

In addition, our Group partnered with a well-known technology enterprise based in the PRC, the shares of which are listed on A-Share market in the PRC, to bid a government tender of HKSAR. Our partner will act as the main contractor with our Group being the sub-contractor under this tender to provide IT application and solution development services and maintenance services. In October 2014, a letter of conditional acceptance in respect of this tender was received, subject to, among others, the signing of the formal contract. We expect that the formal contract would be entered into with the relevant government body of Hong Kong around December 2014 and that our Group would commence work in December 2014. The duration for the provision of IT application and solution development services is expected to be about 40 months (including 12 months of warranty period) and the provision of maintenance services is expected to be for a period of 9 years.

SUMMARY

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 June 2014 and up to the date of this [REDACTED], (ii) save for the deteriorating financial performance, there has been no other material adverse change in the trading and financial positions or prospects of our Group since 30 June 2014 and up to the date of this [REDACTED], and (iii) no event has occurred since 30 June 2014 that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this [REDACTED].

[REDACTED] STATISTICS

	Based on the indicative [REDACTED] of [REDACTED] per Share	Based on the indicative [REDACTED] of [REDACTED] per Share
Number of [REDACTED]	[REDACTED]	[REDACTED]
Board lot	[REDACTED]	[REDACTED]
Market capitalisation (<i>Note 1</i>)	[REDACTED]	[REDACTED]
Unaudited pro forma adjusted combined net tangible assets attributable to the equity owners of our Company per Share (<i>Note 2</i>)	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

1. The calculation of market capitalisation at the [REDACTED] is based on [REDACTED] Shares expected to be in issue immediately following completion of the [REDACTED] 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 [REDACTED] after deduction of the estimated underwriting fees and other related expenses payable by our Company, and [REDACTED] Shares expected to be in issue immediately following completion of the [REDACTED] and the Capitalisation Issue.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Save as disclosed in the section headed "Financial information" in the [REDACTED], 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.