



ICO Group Limited
揚科集團有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8140

ANNUAL REPORT
2014/15

* For identification purpose only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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 high 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this annual report, 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 annual report.

This annual report, for which the directors (the "Directors") of ICO Group Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this annual report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this annual report misleading.

This annual report will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Company Announcements" page for at least seven days from the date of its posting. This annual report will also be published on the Company's website at www.ico.com.hk.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yong Man Kin (*Chairman*)

Mr. Lee Cheong Yuen (*Chief executive officer*)

Non-executive Directors

Mr. Chan Kwok Pui

Mr. Tam Kwok Wah

Independent Non-executive Directors

Dr. Chan Mee Yee

Dr. Chow Kam Pui

Ms. Kam Man Yi Margaret

COMPANY SECRETARY

Mr. Leung Kei Pui

COMPLIANCE OFFICER

Mr. Yong Man Kin

COMPLIANCE ADVISER

New Spring Capital Limited

AUTHORISED REPRESENTATIVES

Mr. Lee Cheong Yuen

Mr. Yong Man Kin

AUDIT COMMITTEE

Ms. Kam Man Yi Margaret (*Chairlady of audit committee*)

Dr. Chan Mee Yee

Dr. Chow Kam Pui

REMUNERATION COMMITTEE

Dr. Chan Mee Yee (*Chairlady of remuneration committee*)

Dr. Chow Kam Pui

Ms. Kam Man Yi Margaret

NOMINATION COMMITTEE

Dr. Chow Kam Pui (*Chairman of nomination committee*)

Dr. Chan Mee Yee

Ms. Kam Man Yi Margaret

Mr. Lee Cheong Yuen

Mr. Yong Man Kin

AUDITORS

Crowe Horwath (HK) CPA Limited

REGISTERED OFFICE

Clifton House

75 Fort Street

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30/F., Siu On Centre

188 Lockhart Road, Wanchai

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Trust (Cayman) Ltd.

Clifton House

75 Fort Street

P.O. Box 1350

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

China Citic Bank International Limited

DBS Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking

Corporation Limited

WEBSITE ADDRESS

www.ico.com.hk

STOCK CODE

8140

CHAIRMAN'S STATEMENT



Chairman Yong Man Kin (left) and Chief Executive Officer Lee Cheong Yuen (right)

Dear Shareholders,

On behalf of the board of directors (the "**Board**") of ICO Group Limited (the "**Company**"), I am pleased to present the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2015.

This year the Group marked a significant milestone as on 18 March 2015, the shares of the Company (the "**Shares**") were successfully listed (the "**Listing**") on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Listing would enhance the reputation of the Group, thus boosting the confidence of our customers and suppliers, and allow the Group to prosper further.

We have demonstrated a consistent and solid track record in delivering strong results through strong execution of our clear strategy to balance short-term results and long-term objectives. The Group has achieved significant business growth in both financial and operation performance in this year. During the

year ended 31 March 2015, the Group recorded a revenue of approximately HK\$389.3 million, an increase of approximately 105% compared with the previous year. Profit attributable to equity shareholders of the Company for the year ended 31 March 2015 was approximately HK\$20.1 million and earnings per share was HK2.64 cents, represented a turnaround from loss attributable to equity shareholders of the Company of approximately HK\$1.6 million and loss per share of HK0.21 cents for the year ended 31 March 2014. The Board does not propose any final dividends for the year ended 31 March 2015.

I would like to highlight our major undertaking this year that the Group established strong and close relationship with one of the largest computer solution providers in the world – IBM. In view of the Group's outstanding performance, IBM recognized the Group as the "Partner of the Year 2014" and awarded us the "Choice Award 2015 – Growth and Transformation, Greater China" during the year ended 31 March 2015. The Group would continue to maintain and strengthen its partnership with IBM.

CHAIRMAN'S STATEMENT



From left:

Ms. Kam Man Yi Margaret (Independent non-executive Director), Mr. Chan Kwok Pui (Non-executive Director), Mr. Lee Cheong Yuen (Chief Executive Officer), Mr. Yong Man Kin (Chairman), Mr. Tam Kwok Wah (Non-executive Director), Dr. Chan Mee Yee (Independent non-executive Director)

The Group believes that in an increasingly competitive business environment, establishing strategic alliances and joint ventures with business partners and investing in new opportunities will be critical to the development of the Group. We therefore will continue to expand our market share and strengthen the market position of our business and exploring business cooperation and opportunities from time to time. Given the Group had continued to carry out the expansion plan as disclosed in the prospectus of the Company dated 10 March 2015 (the "**Prospectus**"), including expansion of IT application and solution development business and exploring merger, acquisition or business collaboration etc., the Group will also explore business opportunities in providing O2O (online to offline) e-commerce platforms through mobile application systems, such as mobile payment securities systems, and logistic and tracking systems.

Looking ahead, we will continue to focus on traditional IT business, as well as the increasingly popular O2O platforms, mobile applications and "cloud" applications, the Group will seize opportunities by expanding and exploring its market in provision of mobile application products and services.

Finally, on behalf of the Board, I would like to take this opportunity to express my gratitude to all shareholders, investors, business partners, suppliers, and customers for their trust and faithfulness to the Group. I would also like to express our sincere thanks to the management and staff for their commitment and contribution throughout the years.

ICO Group Limited
Yong Man Kin
Chairman and Executive Director

Hong Kong, 30 June 2015

AWARDS

AWARDS FOR THE YEAR ENDED 31 MARCH 2015

Name of award	Authority
Choice Award 2015 – Growth and Transformation, Greater China	IBM
Partner of the Year 2014	IBM
Business Partner Excellence Award 2014 – Information Management, Greater China Group	IBM
Business Partner Award 2014 – Information Management	IBM
Top Contributor Award 2014 – Power Systems – Solution Provider	IBM
Top Contributor Award 2014 – Business Analytics	IBM
Gold Value Partner 2014 – System & Technology Group	IBM



IBM Choice Award 2015 – Growth and Transformation, Greater China



IBM Partner of the Year 2014

MANAGEMENT DISCUSSION AND ANALYSIS



Directors and senior management

The following discussion and analysis should be read in conjunction with the financial information of the Group contained in the consolidated financial statements (together with the notes thereto) reproduced in the result announcement for the year ended 31 March 2015. The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards. The following discussions on the synopsis of historical result do not represent a prediction as to the future business operations of the Group.

SUMMARY

Established in 1992, we are an IT service provider based in Hong Kong. The Group is principally engaged in the following businesses: (i) provision of IT application and solution development services; (ii) provision of IT infrastructure solutions; (iii) provision of secondment services; and (iv) provision of

maintenance and support services. The Shares were successfully listed on GEM of the Stock Exchange on 18 March 2015.

For the year ended 31 March 2015 ("FY2015"), the revenue of the Group was approximately HK\$389.3 million, representing an increase of approximately 105% compared to the year ended 31 March 2014 ("FY2014"). Profit before taxation of the Group was approximately HK\$30.3 million, representing an increase of approximately 11.4 times compared to FY2014. Earnings before interests, tax, depreciation and amortization (EBITDA) reached approximately HK\$31.1 million, representing an increase of approximately 9.2 times compared to FY2014. Profit attributable to equity shareholders of the Company was approximately HK\$20.1 million, representing a turnaround from net loss attributable to equity shareholders of the Company of approximately HK\$1.6 million in FY2014.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For FY2015, the Group's operations and business achieved a significant growth when compared to FY2014.

Provision of IT application and solution development services

This segment provides design and implementation of IT application solution services and procurement of third party hardware and software. The revenue generated from provision of IT application and solution development services amounted to approximately HK\$157.6 million, representing approximately 40% of the revenue for FY2015. The revenue derived from provision of IT application and solution development services increased by approximately 6.3 times from HK\$21.7 million for FY2014 to approximately HK\$157.6 million for FY2015, the increase was primarily due to the significant amount of revenue recognised from the Group's largest IT project in progress due to its scale and the Group's ability to meet the expected timetable and development schedule.

Provision of IT infrastructure solutions

This segment provides IT infrastructure solutions services and sale of IT infrastructure solution related hardware and software. The majority of the Group's revenue was generated from provision of IT infrastructure solutions which accounted for approximately 44% of the revenue for FY2015. The revenue from provision of IT infrastructure solutions increased from approximately HK\$108.0 million for FY2014 to approximately HK\$172.5 million for FY2015, the increase was primarily due to (i) the Group expanded its market in the financial sector during FY2015; and (ii) demand from existing customers increased due to their needs for technological refreshment.

Provision of secondment services

This segment provides secondment services for a fixed period of time pursuant to the secondment service agreements. The revenue generated from provision of secondment services amounted to approximately HK\$37.0 million, representing approximately 10% of the revenue for FY2015. The revenue derived from provision of secondment services decreased by approximately 9% from approximately HK\$40.7 million for FY2014 to approximately HK\$37.0 million for FY2015, the decrease was primarily due to the completion of secondment contracts during FY2015.

Provision of maintenance and support services

This segment provides maintenance and support services. The revenue generated from provision of maintenance and support services amounted to approximately HK\$22.1 million, representing approximately 6% of the revenue for FY2015. The revenue derived from provision of maintenance and support services increased by approximately 13% from HK\$19.6 million for FY2014 to HK\$22.1 million for FY2015, the increase was primarily due to (i) a number of new maintenance and support services agreements were awarded by existing customers from IT application and solution development and IT infrastructure solutions segments, for which the majority were awarded subsequent to the completion of IT application and solution development and IT infrastructure solution services; and (ii) an increase in premium charged for renewal of existing maintenance and support contracts during FY2015.

FINANCIAL REVIEW

Revenue

The Group's revenue for FY2015 amounted to approximately HK\$389.3 million, representing an increase of approximately HK\$199.3 million or 105% compared to FY2014 (2014: approximately HK\$190.0 million). The increase was mainly attributable to the combined effect of: (i) the increase in revenue generated from provision of IT application and solution development services of approximately HK\$136.0 million; (ii) the increase in revenue generated from provision of IT infrastructure solutions of approximately HK\$64.5 million; (iii) the increase in revenue generated from provision of maintenance and support services of approximately HK\$2.5 million; and (iv) a decrease in revenue generated from provision of secondment services of approximately HK\$3.7 million.

Gross profit and gross profit margin

The gross profit of the Group increased by approximately 85% from approximately HK\$39.0 million for FY2014 to approximately HK\$72.1 million for FY2015, while the gross profit margin of the Group decreased by approximately 10% from approximately 21% for FY2014 to approximately 19% for FY2015. Such changes were primarily due to (i) the increase in gross profit generated from provision of IT infrastructure solutions by approximately 59% from approximately HK\$11.4 million for FY2014 to approximately HK\$18.1 million for FY2015, which was in line with the increase in revenue for this segment; and (ii) the increase in gross profit generated from provision of

MANAGEMENT DISCUSSION AND ANALYSIS

IT application and solution development services by approximately 2.5 times from approximately HK\$10.5 million for FY2014 to approximately HK\$36.4 million for FY2015, which was resulted from the combined effect of the increase in revenue and a decrease in gross profit margin due to the adoption of a competitive pricing strategy for the largest IT project in progress and the low gross profit margin arising from the procurement services performed for the largest IT project in progress.

Administrative expenses

The Group's administrative expenses for FY2015 amounted to approximately HK\$43.4 million, representing an increase of approximately HK\$6.4 million or 17% as compared to FY2014 (2014: approximately HK\$36.9 million). The increase was primarily attributable to the combined effect of: (i) the increase in administrative staff costs (excluding directors' emoluments) of approximately HK\$5.1 million due to the significant manpower involved in the pre-sale activities in relation to the largest IT project in progress; and (ii) the increase in marketing expenses of approximately HK\$1.9 million as a result of the Group's effort to expand its markets and seek business opportunities.

Listing expenses

For FY2014 and FY2015, the one-off listing expenses of approximately HK\$7.4 million and HK\$6.6 million respectively, which was included in administrative expenses, have been recorded by the Group.

Profit for the year

The Group recorded a net profit of approximately HK\$24.2 million for FY2015 as compared to a net profit of approximately HK\$0.6 million for FY2014. The increase in net profit was mainly attributable to the combined effect of: (i) the increase in gross profit of approximately HK\$33.1 million as compared to FY2014; and (ii) the increase in administrative expenses of approximately HK\$6.4 million as compared to FY2014; and (iii) the increase in provision for income tax of approximately HK\$4.3 million as compared to FY2014 as a result of the increase in profit before taxation.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2015, the shareholders' funds of the Group amounted to approximately HK\$120.1 million. Current assets were approximately HK\$214.0 million, mainly comprised of cash

and cash equivalents of approximately HK\$142.8 million and trade and other receivables of approximately HK\$71.2 million. Current liabilities mainly comprised of trade and other payables of approximately HK\$85.3 million and tax payable of approximately HK\$4.7 million. The significant increase in current assets and current liabilities of the Group was primarily attributable to (i) the receipt of net proceeds from placing by the Group of approximately HK\$75.5 million during FY2015 and (ii) the increase in working capital and receipt of service income following the commencement of the largest IT project in progress during FY2015. The net asset value per share was approximately HK\$0.13. The Group's gearing ratio, expressed as a percentage of bank borrowings and long-term debts over total equity, was nil. As at 31 March 2015, the liquidity ratio of the Group, determined as a ratio of current assets over current liabilities, was 2.4 times (2014: 1.6 times).

CAPITAL STRUCTURE

The shares of the Company were successfully listed on GEM of the Stock Exchange on 18 March 2015. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 March 2015, the Company's issued share capital was HK\$10,000,000 and the number of its issued ordinary shares was 1,000,000,000 of HK\$0.01 each.

COMMITMENTS

As at 31 March 2015, the Group had operating lease commitments in respect of rented office of approximately HK\$5,571,000 (2014: HK\$1,692,000).

As at 31 March 2015, the Group did not have any significant capital commitments (2014: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During FY2015, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies save for

MANAGEMENT DISCUSSION AND ANALYSIS

those related to the reorganisation, for which the details are set out in the Prospectus.

SIGNIFICANT INVESTMENTS

As at 31 March 2015, the Group did not hold any significant investments.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2015 (2014: Nil).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

For FY2015, the Group was only exposed to limited currency exchange rate fluctuation risks as virtually all of the Group's monetary assets and liabilities were denominated in Hong Kong dollars as it conducts its business transactions principally in this currency. The currency exchange rate risk of the Group is therefore considered to be immaterial, and the Group did not engage in any hedging activity.

CHARGE ON GROUP'S ASSETS

As at 31 March 2015 and 2014, the Group had no charges on the Group's assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group employed a total of 242 full-time employees (2014: 205). The staff costs, including Directors' emoluments, of the Group were approximately HK\$92.1 million for FY2015 (2014: approximately HK\$79.8 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end discretionary bonuses were offered to those staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from 18 March 2015 (the "Date of Listing") to 31 March 2015 is set out below:

Business objectives	Actual progress
Purchase of new office premises as well as equipping and renovating our existing office premises	As at 31 March 2015, the planned amount has not been utilised and will be carried forward to the next six months ending 30 September 2015
Expanding our professional team and enhancing our service quality	Not Applicable as at 31 March 2015
Strategic growth through merger, acquisition or business collaboration	Not Applicable as at 31 March 2015
Expansion of IT application and solution development business	Not Applicable as at 31 March 2015
Starting a research and development team	Not Applicable as at 31 March 2015
Strengthening our marketing efforts	Not Applicable as at 31 March 2015
Working capital and other general corporate purposes	Not Applicable as at 31 March 2015

MANAGEMENT DISCUSSION AND ANALYSIS



USE OF PROCEEDS

The net proceeds from placing, after deducting listing related expenses, were approximately HK\$75.5 million. After the Listing, these proceeds had been applied for the purposes in accordance with the future plans and use of proceeds as set out in the Prospectus.

An analysis of the utilisation of the net proceeds from the placing and the unused amount as at 31 March 2015 is set out below:

	Net proceeds from the placing HK\$'000	Planned amount utilised up to 31 March 2015 HK\$'000	Actual utilised amount as at 31 March 2015 HK\$'000	Unutilised amount as at 31 March 2015 HK\$'000
Purchase of new office premises as well as equipping and renovating our existing office premises	19,400	1,000	-	19,400
Expanding our professional team and enhancing our service quality	15,800	-	-	15,800
Strategic growth through merger, acquisition or business collaboration	15,600	-	-	15,600
Expansion of IT application and solution development business	9,400	-	-	9,400
Starting a research and development team	5,400	-	-	5,400
Strengthening our marketing efforts	2,400	-	-	2,400
Working capital and other general corporate purposes	7,500	-	-	7,500
Total	75,500	1,000	-	75,500

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

Since the Listing, the Board recognized that transparency and accountability is important to a listed company. Therefore, the Company is committed to establish and maintain good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture which would benefit the Company's stakeholders as a whole.

The Board has adopted and complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules. The Directors of the Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Company.

The Board is pleased to report compliance with the code provisions of the CG Code for the period from the date of the Listing (18 March 2015) to 31 March 2015, except where otherwise stated.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors throughout the period from the date of the Listing up to 31 March 2015.

BOARD OF DIRECTORS

As at 31 March 2015, the Board comprised of 7 Directors, the executive Directors are Mr. Lee Cheong Yuen and Mr. Yong Man Kin, the non-executive Directors are Mr. Chan Kwok Pui and Mr. Tam Kwok Wah, and the independent non-executive Directors are Dr. Chan Mee Yee, Dr. Chow Kam Pui and Ms. Kam Man Yi Margaret.

Mr. Yong Man Kin is the Chairman (the "Chairman") of the Board and Mr. Lee Cheong Yuen is the Chief Executive Officer (the "CEO") of the Company.

RESPONSIBILITIES OF THE BOARD

The overall management of the Company's business is vested in the Board which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All Directors should make decisions objectively in the interests of the Company. The Board has the full support from the executive Directors and the senior management of the Company to discharge its responsibilities.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors and the senior management of the Company. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the executive Director(s) and senior management. The Board also assumes the responsibilities of maintaining high standard of corporate governance, including, among others, developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and reviewing the Company's compliance with the CG Code. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. Independent non-executive Directors are invited to serve on the audit committee, the remuneration committee and the nomination committee of the Company.

CORPORATE GOVERNANCE REPORT

The biographical details of the Directors and other senior management are set out in the section headed "**Biographical Details of Directors and Senior Management**" on pages from 21 to 23 of this annual report.

Save as disclosed above, the other Board members have no financial, business, family or other material or relevant relationships with each other.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision A.2.1 of the CG Code, the roles of the Chairman and the CEO should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and the CEO should be clearly established and set out in writing. To ensure a balance of power and authority, the Company fully supports the division of responsibility between the Chairman and the CEO. The roles of the Chairman and the CEO are segregated and performed by Mr. Yong Man Kin and Mr. Lee Cheong Yuen, respectively.

Code provision A.2.7 of the CG Code requires the chairman of the board to hold meetings at least annually with the non-executive directors (including independent non-executive directors) without the executive directors' presence. The Chairman did not hold meeting with the non-executive Directors for the year ended 31 March 2015 since the shares of the Company were listed on 18 March 2015. As Mr. Yong Man Kin, the chairman of the Board, is also an executive Director, the Company has deviated from this code provision as it is not practicable.

BOARD DIVERSITY POLICY

The Company adopted a board diversity policy (the "**Board Diversity Policy**") from the Date of Listing up to the date of this corporate governance report. A summary of this Board Diversity Policy, together with the measurable objectives set for implementing this Board Diversity Policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of the Board Diversity Policy

The Company recognised and embraced the benefits of having a diverse board to the quality of its performance. The Board Diversity Policy aimed to set out the approach to achieve diversity on the Board. In designing the Board's composition, board diversity has been considered from a number of measurable aspects including gender, age, ethnicity, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regards for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates will be based on a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Implementation and Monitoring

The nomination committee of the Company reviewed the Board's composition under diversified perspectives, and monitored the implementation of the Board Diversity Policy annually.

The nomination committee of the Company has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group complied the Board Diversity Policy from the Date of the Listing up to the date of this corporate governance report.

CORPORATE GOVERNANCE REPORT

BOARD MEETING, GENERAL MEETING AND PROCEDURES

Since the Date of the Listing up to 31 March 2015, no Board meetings were held.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc. The Board held meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all Directors at least three days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The current articles of association of the Company (the "**Articles**") provide that subject to the manner of retirement by rotation of directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subjected to retirement by rotation at least once every three years.

Independent non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election in accordance with the Articles. Each independent non-executive Director is required to inform the Company as soon as practicable if there are any changes that may affect his/her independence. The Company has received from each of the independent non-executive Director an annual confirmation of his/her independency pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers the independent non-executive Directors to be independent.

CORPORATE GOVERNANCE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT

To assist Directors' continuous professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. Directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. All Board members have received directors' training hosted by a law firm which was about, inter alia, the listing rules, Companies Ordinance and Securities and Futures Ordinance.

All Directors also understand the importance of continuous professional development and are committed to participate in any suitable training to develop and refresh their knowledge and skills.

Pursuant to the code provision A6.5 of the CG Code, all Directors had participated in continuous professional development in the following manner:

Name of Directors	Training on Director's responsibilities provided by the Company's legal adviser prior to the Listing
Mr. Lee Cheong Yuen	1/1
Mr. Yong Man Kin	1/1
Mr. Chan Kwok Pui	1/1
Mr. Tam Kwok Wah	1/1
Dr. Chan Mee Yee	1/1
Dr. Chow Kam Pui	1/1
Ms. Kam Man Yi Margaret	1/1

BOARD COMMITTEES

The Board has established three board committees, namely the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**"), with written terms of reference which are available on the Company's website and the Stock Exchange's website.

AUDIT COMMITTEE

The Company established the Audit Committee on 3 March 2015 with written terms of reference in compliance with the GEM Listing Rules, in accordance with provisions set out in the CG Code which are available on the Company's website and the Stock Exchange's website.

The Audit Committee currently consists of three independent non-executive Directors namely Dr. Chan Mee Yee, Dr. Chow Kam Pui and Ms. Kam Man Yi Margaret. The chairlady of the Audit Committee is Ms. Kam Man Yi Margaret, who has appropriate professional qualifications and experience in accounting matters.

CORPORATE GOVERNANCE REPORT

The Audit Committee is mainly responsible for the followings:

- (a) to consider the appointment of the external auditors, the performance of the external auditors, the audit fee, and any questions of resignation or dismissal;
- (b) to review with the Group's management, external auditor and internal auditor, the adequacy of the Group's policies and procedures regarding internal controls (including financial, operational and compliance controls), risk management system and any statement by the Director to be included in the annual accounts prior to endorsement by the Board;
- (c) to have familiarity with the financial reporting principles and practices applied by the Group in preparing its financial statements;
- (d) to review the scope of the external audit, including the engagement letter prior to audit commencement. The Audit Committee should understand the factors considered by the external auditor in determining their audit scope. The external audit fees are to be negotiated by management, and presented to the Audit Committee for review and approval annually;
- (e) to review the annual and interim financial reports prior to approval by the Board, with particular focus on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumption and any qualifications;
 - (v) compliance with accounting and auditing standards, and
 - (vi) compliance with the listing requirements of The Stock Exchange of Hong Kong Limited and legal requirements;

From the Date of Listing up to the date of this corporate governance report, the Audit Committee held one meeting to consider and approve the following:

- (a) to review the financial statements for the year ended 31 March 2015 before submission to the Board, with a focus on compliance with accounting standards, the GEM Listing Rules and other requirements in relation to financial reporting of the Group;
- (b) to discuss the effectiveness of the internal control systems throughout the Group, including financial, operational and compliance controls, and risk management;
- (c) to review the accounting principles and practices adopted by the Group and other financial reporting matters; and
- (d) to address the audit issues raised by the external auditors of the Group.

CORPORATE GOVERNANCE REPORT

The individual attendance record of each member of the Audit Committee is as follows:

Name of Directors	Number of attendance/ number of meetings
Ms. Kam Man Yi Margaret	1/1
Dr. Chan Mee Yee	1/1
Dr. Chow Kam Pui	1/1

The Group's audited annual results in respect of the year ended 31 March 2015 have been reviewed by the Audit Committee.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors during the year ended 31 March 2015.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company was established on 3 March 2015 comprising three independent non-executive Directors, namely Dr. Chan Mee Yee, Dr. Chow Kam Pui and Ms. Kam Man Yi Margaret. Dr. Chan Mee Yee is the chairlady of the Remuneration Committee. The terms of reference of the Remuneration Committee are available at the Company's website and on the Stock Exchange's website.

The main roles and functions of the Remuneration Committee include the followings:

- (a) establish guidelines for the recruitment of the managing director and senior management;
- (b) recommend to the Board the policy and structure for the remuneration of Directors and senior management whilst ensuring no Director or any of his/her associates are involved in deciding his/her own remuneration;
- (c) determine the remuneration of Directors and senior management, including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc). The Chairman and/or the Director shall be consulted respectively about their proposals relating to the remuneration of the Director and/or senior management, as the case may be;
- (d) review and approve the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to executive Directors and senior management which shall be fair and not excessive;
- (e) determine the criteria for assessing employee performance, which should reflect the Company's business objectives and targets; and
- (f) consider the annual performance bonus for executive Directors, senior management, and the general staff, having regard to the achievements against the performance criteria by reference to market norms, and make recommendation of the Board.

No Remuneration Committee meeting has yet held from the Date of Listing up to 31 March 2015.

The emolument payable to Directors depends on their respective contractual terms under the service contracts and the appointment letters, and as recommended by the Remuneration Committee. Details of the Directors' emolument are set out in note 9 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE

The Nomination Committee was established on 3 March 2015 comprising two executive Directors, namely Mr. Lee Cheong Yuen and Mr. Yong Man Kin and three independent non-executive Directors, namely Dr. Chan Mee Yee, Dr. Chow Kam Pui and Ms. Kam Man Yi Margaret. Dr. Chow Kam Pui is the chairman of the Nomination Committee. The terms of reference of the Nomination Committee are available at the Company's website and on the Stock Exchange's website.

The main roles and functions of the Nomination Committee include the followings:

- (a) review and monitor the structure, size and composition (including the skills, knowledge and experience) of the Board to complement the Company's corporate strategy;
- (b) identify and nominate qualified individuals for appointment as additional directors or to fill Board vacancies as and when they arise;
- (c) make recommendations to the Board on matters relating to the appointment or reappointment of Directors and succession planning for Directors;
- (d) assess the independence of independent non-executive Directors and review the independent non-executive Directors' annual confirmations on their independence; and make disclosure of its review results in the corporate governance report; and
- (e) report back to the Board on decisions or recommendations made, unless there are legal or regulatory restrictions to do so.

No Nomination Committee meeting has yet held from the Date of Listing to 31 March 2015.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Group that gives a true and fair view of the state of affairs of the Group. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects with timely publication of the financial statements of the Group. As at 31 March 2015, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern.

The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. The statements by external auditor, Crowe Horwath (HK) CPA Limited, about their reporting responsibility on the financial statements of the Group are set out in the independent auditor's report from pages 32 to 33 of this annual report.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL

The Board has overall responsibility for the establishment, maintenance and review of the Group's internal control system to safeguard shareholder investments and the assets of the Group. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimizes the risks to which the Group is exposed. The system can only provide reasonable but not absolute assurance against misstatement or losses.

The Board has conducted a review of the implemented system and procedures, covering financial, operational and legal compliance controls and risk management functions. The Directors consider that the Group has implemented appropriate procedures to safeguard the Group's assets against unauthorized use or misappropriation, maintain proper accounting records, and executed with appropriate authority and compliance of the relevant laws and regulations.

AUDITORS' REMUNERATION

The amount of fees charged by the external auditor generally depends on the scope and volume of the external auditor's work performed.

For the year ended 31 March 2015, the remuneration paid or payable to the external auditor of the Company in respect of audit services and non-audit services for the Group are as follows:

	Fees paid/payable for the services rendered HK\$'000
Audit services	1,270
Non-audit services	1,010

COMPANY SECRETARY

Mr. Leung Kei Pui ("**Mr. Leung**") was appointed as the company secretary of the Group ("**Company Secretary**") on 29 January 2014. Mr. Leung has taken no less than 15 hours of relevant professional training for the year ended 31 March 2015. The biographical details of Mr. Leung are set out under the section headed "**Biographical Details of Directors and Senior Management**" of this annual report.

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard shareholders' interest and rights, separate resolutions can be proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. All resolutions put forward at shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the Stock Exchange's website and the Company's website after the relevant shareholders' meeting.

CORPORATE GOVERNANCE REPORT

PROCEDURES FOR SHAREHOLDERS TO CONVENE EXTRAORDINARY GENERAL MEETING

The following procedures for shareholders to convene an extraordinary general meeting are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time):

- (a) any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company (the "**Eligible Shareholder(s)**") carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary to require an extraordinary general meeting ("**EGM**") to be called by the Board for the transaction of any business specified in such requisition;
- (b) Eligible Shareholders who wish to convene an EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned to the head office and principal place of business of the Company in Hong Kong at 30/F, Siu On Centre, 188 Lockhart Road, Wanchai, Hong Kong, or Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for the attention of the Board and/or the Company Secretary;
- (c) the Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business(es) proposed to be transacted in the EGM, and must be signed by the Eligible Shareholder(s) concerned together with a deposit of a sum of money reasonable sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the shareholders concerned in accordance with the statutory requirements to all the registered shareholders;
- (d) the Requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the Requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered Shareholders. On the contrary, if the Requisition has been verified as not in order or the Shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM;
- (e) if within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles, shareholders who wish to move a resolution may by means of Requisition convene an EGM following the procedures set out above.

CORPORATE GOVERNANCE REPORT

PROCEDURES FOR RAISING ENQUIRIES

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's Hong Kong share registrar (details of which are set out in the section headed "**Corporate Information**" of this annual report).

Should there are any enquiries and concerns from shareholders, they may send in written enquiries addressed to the head office and principal place of business of the Company in Hong Kong at 30/F, Siu On Centre, 188 Lockhart Road, Wanchai, Hong Kong by post for the attention of the Board and/or the Company Secretary.

Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

INVESTORS RELATIONS

The Company has established a range of communication channels between itself and its shareholders, and investors. These include answering questions through the annual general meeting, the publication of annual, interim and quarterly reports, notices, announcements and circulars, the Company's website at www.ico.com.hk and meetings with investors and shareholders. News update of the Group's business development and operation are also available on the Company's website.

From the Date of the Listing up to 31 March 2015, there had been no significant change in the Company's constitutional documents.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Yong Man Kin (楊敏健) ("Mr. Yong"), aged 49, is the Chairman and an executive Director. Mr. Yong is also a member of the Nomination Committee. Mr. Yong founded the Group in 1992. Mr. Yong primarily is responsible for overseeing the business development, in-house operations, overall strategic planning and business expansion plans, accounts and human resources activities of the Group. Under his directorship, over the past years, he led the 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 the University of Hong Kong ("HKU") in December 1989. Mr. Yong has over 20 years of experience in the IT industry. Mr. Yong is also one of the controlling shareholders of the Company.

Mr. Lee Cheong Yuen (李昌源) ("Mr. Lee"), aged 47, is the Chief Executive Officer and an executive Director. Mr. Lee is also a member of the Nomination Committee. Mr. Lee founded the Group in 1992. Mr. Lee primarily is responsible for overseeing the business development and in-house operations and devising market strategies and business expansion plans of the Group. In the past years, he led the 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 HKU in December 1989. He has over 20 years of experience in the IT industry. Mr. Lee is also one of the controlling shareholders of the Company.

NON-EXECUTIVE DIRECTORS

Mr. Chan Kwok Pui (陳國培) ("Mr. Chan"), aged 58, is a non-executive Director and is responsible for advising on business opportunities for investment, development and expansion of the Group. Mr. Chan obtained a degree of bachelor of science in computer studies from HKU in December 1989. Mr. Chan has over 20 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 is also one of the controlling shareholders of the Company.

Mr. Tam Kwok Wah (譚國華) ("Mr. Tam"), aged 65, 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 is also one of the controlling shareholders of the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Chan Mee Yee (陳敏兒) ("Dr. Chan"), aged 53, 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 the Group. Dr. Chan is also the chairlady of the Remuneration Committee, and a member of the Nomination Committee and the Audit Committee. 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.

Dr. Chow Kam Pui (鄒錦沛) ("Dr. Chow"), 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 the Group. Dr. Chow is also the chairman of the Nomination Committee, and a member of the Audit Committee and the Remuneration Committee. 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.

Ms. Kam Man Yi Margaret (甘敏儀) ("Ms. Kam"), 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 the Group. Ms. Kam is also the chairlady of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee. 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 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.

Saved as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information in relation to our Directors that is required to be disclosed pursuant to Rules 17.50(2) of the GEM Listing Rules as at the date of this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Leung Man Lun Walter (梁萬倫) ("Mr. Walter Leung"), aged 53, is the managing director of ICO Technology Limited who joined the Group in 2006 and is responsible for the overall management of ICO Technology Limited including strategic planning and sales and marketing in Hong Kong and the PRC. Mr. Walter 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.

Mr. Ho Chak Keung (何澤強) ("Mr. Ho"), aged 46, is the general manager of ICO Technology Limited who joined the Group in 2006 and is responsible for the daily operations of and supervision of the business of ICO Technology Limited, he is also 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 of the Group. Mr. Ho obtained a degree of bachelor of science in computer systems engineering from the University of Kent in the United Kingdom. He has over 20 years of IT sales and marketing experience.

COMPANY SECRETARY

Mr. Leung Kei Pui (梁基沛) ("Mr. Leung"), aged 33, is the Company Secretary of the Group. He joined the Group in 2009. Mr. Leung graduated from the Leeds Metropolitan University in the United Kingdom with a degree of bachelor of arts in accounting and finance through distance learning. He was admitted as a fellow of the Association of Chartered Certified Accountants. He was also admitted as an associate of The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Mr. Leung has over nine years of experience in the field of accounting and auditing. He is responsible for the daily accounting operations and company secretarial functions of the Group.

FINANCIAL CONTROLLER

Mr. Pang Yick Him (彭翊謙) ("Mr. Pang"), aged 28, is the financial controller of the Group. He joined the Group in 2015. Mr. Pang held a bachelor degree of business administration from the Hong Kong Baptist University and had over six years of experience in the field of accounting and auditing. Mr. Pang is a member of the Hong Kong Institute of Certified Public Accountants and a Certified Financial Risk Manager admitted by the Global Association of Risk Professionals. He is responsible for overseeing the accounting and financial operations of the Group.

REPORT OF DIRECTORS

The Directors hereby present their report and the audited consolidated financial statements for the year ended 31 March 2015.

CORPORATE REORGANISATION

The Company was incorporated with limited liability in the Cayman Islands on 26 April 2013.

In preparing for the listing of the Company's shares on GEM of the Stock Exchange, the Group underwent the corporate reorganisation (the "**Reorganisation**"). Upon the completion of the Reorganisation on 27 February 2015, the Company became the holding company of the companies now comprising the Group.

Details of the Reorganisation are set out in the Prospectus. The shares of the Company were listed on GEM of the Stock Exchange with effect from 18 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 14 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2015 are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 34 to 35 of this annual report.

Prior to the Listing, the companies now comprising the Group declared total dividends in the amount of approximately HK\$11.9 million to their then equity shareholders during the year ended 31 March 2015 (2014: approximately HK\$15.2 million).

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2015 (2014: Nil).

FINANCIAL SUMMARY

The summary of the results and of the assets and liabilities of the Group is set out on page 82 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year in the property, plant and equipment of the Group are set out in note 12 to the consolidated financial statements in this annual report.

SHARE CAPITAL

Details of the movements during the year in the share capital of the Company are set out in note 21 to the consolidated financial statements in this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Since the shares of the Company was listed on GEM on 18 March 2015, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the year ended 31 March 2015 save for those related to the Reorganisation.

REPORT OF DIRECTORS

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2015, the Company's reserves available for distribution to the shareholders, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands amounted to approximately HK\$78.7 million (2014: Nil).

MAJOR CLIENTS AND SUPPLIERS

For the year ended 31 March 2015, sales to the Group's five largest customers accounted for approximately 61% of the total sales for the year and sales to the largest customer included therein amounted to approximately 35%. Purchases from the Group's five largest suppliers accounted for approximately 73% of the total cost of sales for the year and purchase from the largest supplier included therein amounted to approximately 41%.

DIRECTORS

The Directors during the year and up to the date of this annual report were as follows:

Executive Directors

Mr. Yong Man Kin (<i>Chairman</i>)	(appointed on 26 April 2013)
Mr. Lee Cheong Yuen (<i>Chief Executive Officer</i>)	(appointed on 26 April 2013)

Non-executive Directors

Mr. Chan Kwok Pui	(appointed on 29 January 2014)
Mr. Tam Kwok Wah	(appointed on 29 January 2014)

Independent non-executive Directors

Dr. Chan Mee Yee	(appointed on 3 March 2015)
Dr. Chow Kam Pui	(appointed on 3 March 2015)
Ms. Kam Man Yi Margaret	(appointed on 3 March 2015)

Pursuant to Article 112 of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any directors so appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

Pursuant to Article 108 of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement at least once every three years.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of the Directors of the Group are set out on pages from 21 to 22 of this annual report.

REPORT OF DIRECTORS

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from 3 March 2015 and will continue thereafter until terminated in accordance with the terms of the agreement.

Save as disclosed above, none of the Directors has entered into any service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment compensation other than the statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance, to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 9 and 10 to the consolidated financial statements in this annual report.

EMOLUMENT POLICY

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

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the year ended 31 March 2015.

REPORT OF DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

The Listing took place on 18 March 2015. As at 31 March 2015, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO"), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

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 Limited (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 Limited (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 Limited (Note 6)	Beneficial owner	750,000,000 (L) (Note 1)	75%
Ms. Ma Kit Ling (Note 7)	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 Limited (Note 8)	Beneficial owner	750,000,000 (L) (Note 1)	75%

REPORT OF DIRECTORS

Notes:

1. The letter "L" denotes a long position in the shareholder's interest in the share capital of the Company.
2. On 27 February 2015, our ultimate controlling shareholders, namely, Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam ("**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 the Group. As such, our ultimate Controlling Shareholders together control 75% interest in the share capital of the Company through BIZ Cloud Limited, Cloud Gear Limited, Friends True Limited and Imagine Cloud Limited. As a result, each of our ultimate Controlling Shareholders is deemed to be interested in such 75% interest in the share capital of the Company.
3. Shares in which Mr. Lee is interested consist of (i) 292,500,000 Shares held by BIZ Cloud Limited, 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 Limited, 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 Limited, 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 Limited, 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.
9. As at 31 March 2015, the Company's issued ordinary share capital was HK\$10,000,000 divided into 1,000,000,000 of HK\$0.01 each.

Save as disclosed above, as at 31 March 2015, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer referred to Rule 5.46 of the GEM Listing Rules.

REPORT OF DIRECTORS

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

As at 31 March 2015, the following parties, other than Directors and the chief executive of the Company, held interests or short positions (directly or indirectly) in the Company's Shares or underlying Shares were recorded in the register kept by the Company pursuant to Section 336 of the SFO:

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 Limited (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 Limited (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 Limited (Note 6)	Beneficial owner	750,000,000 (L) (Note 1)	75%
Ms. Ma Kit Ling (Note 7)	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 Limited (Note 8)	Beneficial owner	750,000,000 (L) (Note 1)	75%

REPORT OF DIRECTORS

Notes:

1. The letter "L" denotes a long position in the shareholder's interest in the share capital of the 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 the Group. As such, our ultimate Controlling Shareholders together control 75% interest in the share capital of the Company through BIZ Cloud Limited, Cloud Gear Limited, Friends True Limited and Imagine Cloud Limited. As a result, each of our ultimate Controlling Shareholders is deemed to be interested in such 75% interest in the share capital of the Company.
3. Shares in which Mr. Lee is interested consist of (i) 292,500,000 Shares held by BIZ Cloud Limited, 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 Limited, 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 Limited, 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 Limited, 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.
9. As at 31 March 2015, the Company's issued ordinary share capital was HK\$10,000,000 divided into 1,000,000,000 of HK\$0.01 each.

Save as disclosed above, the Directors were not aware of any other persons, other than the Directors or the chief executive of the Company who held an interest or short positions in the shares and underlying shares of the Company as at 31 March 2015 which required to be recorded pursuant to Section 336 of SFO.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, New Spring Capital Limited, as at 31 March 2015, save for the compliance adviser agreement dated 3 March 2015 entered into between the Company and New Spring Capital Limited, neither New Spring Capital Limited, its directors, employees and associates had any interest in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 March 2015 are set out in note 24 to the consolidated financial statements. None of these related party transactions constitute connected transactions as defined under the GEM Listing Rules.

REPORT OF DIRECTORS

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company complies with the minimum of public float as required under the GEM Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event after the reporting period of the Group.

AUDITOR

Crowe Horwath (HK) CPA Limited was the reporting accountants of the Group for the purpose of the listing of the Company's Shares on GEM of the Stock Exchange. Crowe Horwath (HK) CPA Limited was appointed by the Directors as the first auditor of the Company. The consolidated financial statements for the year ended 31 March 2015 have been audited by Crowe Horwath (HK) CPA Limited.

Crowe Horwath (HK) CPA Limited will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board

Yong Man Kin

Chairman and Executive Director

Hong Kong, 30 June 2015

INDEPENDENT AUDITOR'S REPORT



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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ICO GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of ICO Group Limited ("the Company") and its subsidiaries set out on pages 34 to 81, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Crowe Horwath (HK) CPA Limited

Certified Public Accountants

Hong Kong, 30 June 2015

Yau Hok Hung

Practising Certificate Number P04911

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2015

	Note	2015 HK\$'000	2014 HK\$'000
Revenue	4	389,268	189,984
Cost of sales		(317,125)	(150,957)
Gross profit		72,143	39,027
Other revenue	5	1,148	344
Other net income	6	571	139
General and administrative expenses		(43,366)	(36,927)
Profit from operations		30,496	2,583
Finance costs	7(a)	(176)	(147)
Profit before taxation	7	30,320	2,436
Income tax	8	(6,116)	(1,806)
Profit for the year		24,204	630
Attributable to:			
Equity shareholders of the Company		20,067	(1,590)
Non-controlling interests		4,137	2,220
Profit for the year		24,204	630
Earnings/(loss) per share	11		
Basic and diluted (HK cents per share)		2.64	(0.21)

The notes on pages 40 to 81 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 21(d).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	2015 HK\$'000	2014 HK\$'000
Profit for the year	24,204	630
Other comprehensive income/(loss) for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences:		
– on translation of financial statements of entities outside Hong Kong	(4)	16
– reclassification adjustments for an amount transferred to profit or loss upon the disposal of foreign operations	–	(36)
	(4)	(20)
Total comprehensive income for the year	24,200	610
Attributable to:		
Equity shareholders of the Company	20,063	(1,610)
Non-controlling interests	4,137	2,220
Total comprehensive income for the year	24,200	610

The notes on pages 40 to 81 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 March 2015 HK\$'000	31 March 2014 HK\$'000
Non-current assets			
Plant and equipment	12	1,315	1,198
Intangible assets	13	88	22
		1,403	1,220
Current assets			
Trade and other receivables	15	71,167	46,783
Tax recoverable	20(a)	–	1,100
Cash and cash equivalents	16	142,790	14,005
		213,957	61,888
Current liabilities			
Bank borrowings	17	–	(3,343)
Trade and other payables	18	(85,281)	(34,709)
Obligation under a finance lease	19	(149)	(339)
Current taxation	20(a)	(4,705)	(387)
		(90,135)	(38,778)
Net current assets		123,822	23,110
Total assets less current liabilities		125,225	24,330
Non-current liabilities			
Obligation under a finance lease	19	–	(149)
Deferred tax liabilities	20(b)	(161)	(161)
		(161)	(310)
Net assets		125,064	24,020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 March 2015 HK\$'000	31 March 2014 HK\$'000
Equity	21		
Share capital		10,000	1
Reserves		110,053	21,185
Total equity attributable to equity shareholders of the Company		120,053	21,186
Non-controlling interests		5,011	2,834
Total equity		125,064	24,020

The financial statements on pages 34 to 81 were approved and authorised for issue by the board of directors on 30 June 2015 and were signed on its behalf by:

Yong Man Kin
Chairman and executive director

Lee Cheong Yuen
Chief executive officer and executive director

The notes on pages 40 to 81 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Notes	Attributable to equity shareholders of the Company					Non- controlling interest	Total equity
		Capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000		
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 in respect of the current year		-	-	-	-	-	(3,234)	(3,234)
Interim dividend declared to the controlling equity shareholders of the Company in respect of the current year	21(d)	-	-	-	(11,921)	(11,921)	-	(11,921)
Balance at 31 March 2014 and 1 April 2014		1	-	(258)	21,443	21,186	2,834	24,020
Changes in equity for 2014/15:								
Profit for the year		-	-	-	20,067	20,067	4,137	24,204
Other comprehensive loss for the year		-	-	(4)	-	(4)	-	(4)
Total comprehensive income/(loss) for the year		-	-	(4)	20,067	20,063	4,137	24,200
Capitalisation issue	21(b)(iv)	7,499	(7,499)	-	-	-	-	-
Issuance of shares under IPO, net of share issuance expenses	21(b)(v)	2,500	86,284	-	-	88,784	-	88,784
Interim dividend declared to non-controlling equity shareholders of the Company in respect of the current year		-	-	-	-	-	(1,960)	(1,960)
Interim dividend declared to the controlling equity shareholders of the Company in respect of the current year	21(d)	-	-	-	(9,980)	(9,980)	-	(9,980)
Balance at 31 March 2015		10,000	78,785	(262)	31,530	120,053	5,011	125,064

The notes on pages 40 to 81 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	Note	2015 HK\$'000	2014 HK\$'000
Operating activities			
Profit before taxation		30,320	2,436
Adjustments for:			
Depreciation and amortisation		562	462
Interest income		(26)	(16)
Finance costs		176	147
Net foreign exchange difference		(5)	17
		31,027	3,046
Changes in working capital:			
Increase in trade and other receivables		(27,300)	(1,887)
Increase in trade and other payables		54,375	5,945
Cash generated from operations		58,102	7,104
Income tax paid		(698)	(4,719)
Net cash generated from operating activities		57,404	2,385
Investing activities			
Payment for purchase of plant and equipment		(658)	(166)
Payment for purchase of intangible assets		(87)	(5)
Net cash inflow arising from the disposal of subsidiaries	25	-	775
Decrease in pledged bank deposits		-	2,898
Interest received		26	16
Net cash (used in)/generated from investing activities		(719)	3,518
Financing activities			
Proceeds from new bank loans		-	4,000
Repayment of bank loans		(3,343)	(5,016)
(Repayment to)/advance from related parties		(1,864)	3,988
Capital element of finance lease rentals paid		(339)	(186)
Interest element of finance lease rentals paid		(25)	(26)
Other borrowing costs paid		(151)	(121)
Dividend paid to non-controlling shareholders		(2,185)	(4,214)
Dividend paid to equity owners of the Company		(9,980)	(11,921)
Gross proceeds from issuance of shares		95,000	-
Share issuance expenses paid		(5,013)	-
Net cash generated from/(used in) financing activities		72,100	(13,496)
Net increase/(decrease) in cash and cash equivalents		128,785	(7,593)
Cash and cash equivalents at the beginning of the year		14,005	21,598
Cash and cash equivalents at the end of the year	16	142,790	14,005

The notes on pages 40 to 81 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. GENERAL INFORMATION

ICO Group Limited (the "Company") was incorporated in the Cayman Islands on 26 April 2013 as an exempted company with limited liability under the Companies Law (2011 Revision) (as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the businesses of IT application and solution development, IT infrastructure solutions, secondment services and maintenance and support services.

Pursuant to a group reorganisation (the "Reorganisation") which was completed on 27 February 2015 to rationalise the group structure in preparation for the listing of the Company's shares on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the subsidiaries now comprising the Group. The Company's shares were listed on the GEM of the Stock Exchange on 18 March 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The companies that took part in the Reorganisation were controlled by Mr. Lee Cheong Yuen, Mr. Yong Man Kin, Mr. Chan Kwok Pui and Mr. Tam Kwok Wah, the controlling shareholders, prior to and after the Reorganisation. The control is not transitional and consequently, there was a continuation of the risks and benefits to the controlling shareholders. Therefore, the Reorganisation is considered as a business combination of entities under common control and was accounted for on the basis of merger accounting. The consolidated financial statements of the Group have been prepared as if the current group structure had been in existence at the beginning of the reporting periods presented unless the combining companies first came under common control at a later date. The assets and liabilities of the combining companies are consolidated using the existing book value from the controlling shareholders' perspective.

The consolidated financial statements for the year ended 31 March 2015 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements (Continued)

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.

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*
- Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*
- HK(IFRIC) 21, *Levies*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of new or amended HKFRSs are discussed below:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27, Investment entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these financial statements as the Company does not qualify to be an investment entity.

Amendments to HKAS 32, Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or a cash-generating unit ("CGU") whose recoverable amount is based on fair value less costs of disposal. The initial adoption of these amendments in the reporting period do not have an impact on the Group's financial statements as the Group has not recognised or reversed any impairment loss on individual non-financial asset or CGU.

Amendments to HKAS 39, Novation of derivatives and continuation of hedge accounting

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on these financial statements as the Group has not novated any of its derivatives.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (Continued)

HK(IFRIC) 21, Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these financial statements as the guidance is consistent with the Group's existing accounting policies.

In addition, the Company has early adopted the amendments to the GEM Listing Rules relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The adoption of the disclosure requirements has primarily impacted the presentation and disclosure of information in the consolidated financial statements.

(d) 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.

An investment in a subsidiary is consolidated into the consolidated financial statements 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 consolidated financial statements. 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 the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(l) or (m) 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 consolidated 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (Continued)

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(h)(iii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(h)(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.

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.

(f) 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 2(s)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(h)(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 2(h)(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 acquired computer software with finite useful lives is amortised from the date they are available for use and their estimated useful lives for 4 years.

Both the period and method of amortisation are reviewed annually.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) 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 2(e). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(h)(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 aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (Continued)

(i) Impairment of trade and other receivables (Continued)

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 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 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;
- intangible assets; and
- investments in subsidiaries in the Company's statement of financial position.

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).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

- 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.

(i) 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 2(q)(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.

(j) 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 2(h)(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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.

(l) 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.

(m) 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.

(n) Employee benefits

(i) Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year 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\$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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income tax

Income tax for the year 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 years.

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 those temporary differences arising from 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income tax (Continued)

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 Company or 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 Company or 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.

(p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company 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.

(q) 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) Revenue from design and implementation of IT application solution services

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Revenue recognition (Continued)

(ii) Revenue from other services

Revenue from rendering of services is recognised when the services are rendered.

(iii) Revenue from sales of goods

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 is after deduction of any trade discounts.

(iv) Revenue from secondment and maintenance services

Revenue arising from the provision of secondment and maintenance services is recognised when the services are rendered.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method.

(r) Translation of foreign currencies

Foreign currency transactions during the year 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.

(s) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Related parties

- (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.

(u) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management (i.e. chief operating decision maker) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. 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 statements. 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 statements. The significant accounting policies are set out in note 2 above. Management believes the following significant accounting policies involve the most significant judgments and estimates used in the preparation of the financial statements.

(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 2(h)(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. CRITICAL ACCOUNTING JUDGMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition

As explained in notes 2(i) and (q)(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 customers for contract work as disclosed in note 15 will not include profit which the Group may eventually realise from the work done to date. In addition, actual outcomes in terms of total costs or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in the future periods as an adjustment to the amounts recorded 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.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group 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 is as follows:

	2015 HK\$'000	2014 HK\$'000
IT application and solution development		
– IT application solution services	37,970	21,679
– Procurement of third party hardware and software	119,661	–
	157,631	21,679
IT infrastructure solutions		
– IT infrastructure solution services	13,954	8,628
– Procurement of third party hardware and software	158,573	99,403
	172,527	108,031
Secondment services	36,984	40,660
Maintenance and support services	22,126	19,614
	389,268	189,984

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (Continued)

Information about major customers

Revenues from customers contributing over 10% of the total revenue of the Group during the year are as follows:

	2015 HK\$'000	2014 HK\$'000
Customer A ¹	N/A*	27,465
Customer B ¹	N/A*	705
Customer B ²	N/A*	25,305
	N/A*	26,010
Customer C ³	135,796	–

¹ Revenue from secondment services.

² Revenue from IT infrastructure solutions.

³ Revenue from IT application and solution development.

* 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).

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 design and implementation of IT application solution services and procurement of third party hardware and software.
- IT infrastructure solutions: this segment provides 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(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 year. 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 2015 and 2014 is set out below.

	Year ended 31 March 2015				
	IT application and solution development HK\$'000	IT infrastructure solutions HK\$'000	Secondment services HK\$'000	Maintenance and support service HK\$'000	Total HK\$'000
Revenue from external customers and reportable segment revenue	157,631	172,527	36,984	22,126	389,268
Reportable segment gross profit	36,381	18,135	9,828	7,799	72,143

	Year ended 31 March 2014				
	IT application and solution development HK\$'000	IT infrastructure solutions HK\$'000	Secondment services HK\$'000	Maintenance and support service HK\$'000	Total 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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(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 2015 and 2014 and the Group's specified non-current assets as at 31 March 2015 and 2014 is set out below:

	Revenue from external customers		Specified non-current assets	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Hong Kong (place of domicile)	389,268	189,984	1,360	1,134
The PRC	–	–	43	86
	389,268	189,984	1,403	1,220

5. OTHER REVENUE

	2015 HK\$'000	2014 HK\$'000
Bank interest income	26	16
Marketing income	293	328
Others	829	–
	1,148	344

6. OTHER NET INCOME

	2015 HK\$'000	2014 HK\$'000
Net foreign exchange gain	571	139

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	2015 HK\$'000	2014 HK\$'000
Total interest expense on financial liabilities not at fair value through profit or loss:		
Interest on bank borrowings	151	121
Finance charges on obligation under a finance lease	25	26
	176	147

(b) Staff costs (including directors' remuneration)

	2015 HK\$'000	2014 HK\$'000
Salaries, wages and other benefits	88,900	77,183
Contributions to defined contribution retirement plan	3,249	2,642
	92,149	79,825

The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (HK\$25,000 prior to June 2014). Contributions to the plan vest immediately.

(c) Other items

	2015 HK\$'000	2014 HK\$'000
Cost of hardware and software sold	241,370	87,545
Amortisation of intangible assets	21	13
Depreciation of plant and equipment	541	449
Auditors' remuneration		
– audit services	1,270	1,100
– other services	1,010	500
Operating lease charges in respect of properties	2,097	1,977

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Income tax in the consolidated statement of profit or loss represents:

	2015 HK\$'000	2014 HK\$'000
Current tax — Hong Kong Profits Tax		
Provision for the year	6,060	1,722
Under-provision in respect of prior years	56	5
	6,116	1,727
Deferred taxation		
Origination of temporary differences	—	79
	6,116	1,806

The statutory income tax rate of the Company and its subsidiaries registered in Hong Kong is 16.5% (2014: 16.5%). The PRC's Corporate Income Tax rate is 25% (2014: 25%).

No provision for PRC Corporate Income Tax has been made as the subsidiary established in the PRC did not have assessable profits subject to PRC Corporate Income Tax during the years ended 31 March 2015 and 2014.

The Company and its subsidiaries 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 at applicable tax rates:

	2015 HK\$'000	2014 HK\$'000
Profit before taxation	30,320	2,436
Notional tax on profit before taxation, calculated at the statutory tax rates applicable to the respective tax jurisdictions	4,976	340
Effect of non-deductible expenses	1,144	1,278
Effect of non-taxable income	(5)	(3)
Effect of unused tax losses not recognised	80	186
Under-provision in respect of prior years	56	5
Effect of temporary differences not recognised	(44)	—
Statutory tax concession	(40)	—
Others	(51)	—
Actual tax expense	6,116	1,806

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

9. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383 of the Hong Kong Companies Ordinance and Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

For the year ended 31 March 2015:

	Directors' fees HK\$'000	Salaries and allowances HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
Executive directors				
Lee Cheong Yuen (<i>Chief executive officer</i>)	–	1,809	18	1,827
Yong Man Kin (<i>Chairman</i>)	–	1,805	18	1,823
Non-executive directors				
Chan Kwok Pui	14	166	9	189
Tam Kwok Wah	14	166	9	189
Independent non-executive directors				
Chan Mee Yee (note (i))	12	–	–	12
Chow Kam Pui (note (i))	12	–	–	12
Kam Man Yi Margaret (note (i))	12	–	–	12
	64	3,946	54	4,064

For the year ended 31 March 2014:

	Directors' fees HK\$'000	Salaries and allowances HK\$'000	Retirement scheme contributions HK\$'000	Total 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

Notes:

- (i) These persons were appointed as the independent non-executive directors of the Company on 3 March 2015. The amounts for the relevant year represented the remuneration of these directors from the date of appointment.
- (ii) 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 years ended 31 March 2015 and 2014. No director waived or agreed to waive any emoluments during the years ended 31 March 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2014: two) are directors whose emoluments are disclosed in note 9. The aggregate of the emoluments in respect of the remaining three (2014: three) individuals are as follows:

	2015 HK\$'000	2014 HK\$'000
Salaries and other emoluments	3,819	3,549
Retirement scheme contributions	53	45
	3,872	3,594

The emoluments of these three (2014: three) individuals with the highest emoluments are within the following bands:

	2015 Number of individuals	2014 Number of individuals
HK\$Nil to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	2	2

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 years ended 31 March 2015 and 2014.

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For the year ended 31 March 2015

11. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of HK\$20,067,000 (2014: loss of HK\$1,590,000) and the weighted average number of 759,589,000 ordinary shares (2014: 750,000,000 ordinary shares in issue during the year).

The weighted average number of ordinary shares during the year ended 31 March 2015 is based on the assumption that 750,000,000 ordinary shares of the Company were in issue, comprising 1,000 ordinary shares in issue and 749,999,000 ordinary shares issued pursuant to the capitalisation issue, as if these shares were outstanding throughout the period from 1 April 2014 to the Listing Date, and 250,000,000 ordinary shares issued under the placing of the Company's new shares (the "IPO").

The weighted average number of ordinary shares during the year ended 31 March 2014 is based on the assumption that 750,000,000 ordinary shares of the Company were in issue, comprising 1,000 ordinary shares in issue and 749,999,000 ordinary shares issued pursuant to the capitalisation issue, as if these shares were outstanding throughout that year.

	2015 '000	2014 '000
Weighted average number of ordinary shares		
Issued ordinary shares at the date of the prospectus	1	1
Effect of capitalisation issue	749,999	749,999
Effect of issuance of new shares under the IPO	9,589	-
Weighted average number of ordinary shares at 31 March	759,589	750,000

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there were no dilutive potential ordinary shares in existence during the years ended 31 March 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

12. PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Computer equipment HK\$'000	Furniture and other office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost:					
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	226	334	98	–	658
Exchange adjustments	–	1	–	–	1
At 31 March 2015	336	3,413	445	480	4,674
Accumulated depreciation:					
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 year	11	390	20	120	541
Exchange adjustments	–	1	–	–	1
At 31 March 2015	121	2,480	348	410	3,359
Net book value:					
At 31 March 2015	215	933	97	70	1,315
At 31 March 2014	–	989	19	190	1,198

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 2015, the net book value of computer equipment held under this finance lease was approximately HK\$421,000 (2014: HK\$589,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

13. INTANGIBLE ASSETS

	Acquired computer software HK\$'000
Cost:	
At 1 April 2013	211
Additions	5
At 31 March 2014	216
At 1 April 2014	216
Additions	87
At 31 March 2015	303
Accumulated amortisation:	
At 1 April 2013	181
Charge for the year	13
At 31 March 2014	194
At 1 April 2014	194
Charge for the year	21
At 31 March 2015	215
Net book value:	
At 31 March 2015	88
At 31 March 2014	22

The amortisation charge for the year is included in "general and administrative expenses" in the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

14. INVESTMENTS IN SUBSIDIARIES

	2015 HK\$'000	2014 HK\$'000
Unlisted shares, at cost	1	-

The following list contains the particulars of subsidiaries. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and business and kind of legal entity	Issued and paid up/ registered capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by subsidiaries	
Great Talent Holdings Limited ("Great Talent")	The British Virgin Islands ("BVI"), limited liability company	US\$100	100%	100%	-	Investment holding
Wide Ocean Technologies Limited ("Wide Ocean")	BVI, limited liability company	US\$100	100%	100%	-	Investment holding
ICO Holdings Limited	Hong Kong, limited liability company	HK\$10,000	100%	-	100%	Investment holding
ICO Group Holdings Limited	Hong Kong, limited liability company	HK\$1	100%	-	100%	Not yet commenced its business
ICO Investments Limited	Hong Kong, limited liability company	HK\$1	100%	-	100%	Not yet commenced its business
Wide Faith Management Limited	BVI, limited liability company	US\$100	100%	-	100%	Investment holding
Value Digital Limited	BVI, limited liability company	US\$1	100%	-	100%	Dormant
Digital Faith International Limited	BVI, limited liability company	US\$1	100%	-	100%	Dormant
ICO Limited	Hong Kong, limited liability company	HK\$1,000,000	100%	-	100%	Provision of information technology services
ICO Technology Limited	Hong Kong, limited liability company	HK\$1,000,000	51%	-	51%	Provision of information technology services
Tian Li Shi Software Development (Shenzhen) Co. Ltd. (note (i)) (天利時軟件開發(深圳)有限公司)	The People's Republic of China (the "PRC"), wholly-owned foreign enterprise	HK\$600,000	100%	-	100%	Provision of information technology services

Note:

- (i) The English translation of the name is for reference only and the official name of this entity is in Chinese.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following table lists out the information relating to ICO Technology Limited ("ICOT"), the only subsidiary of the Group which has material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination:

	2015 HK\$'000	2014 HK\$'000
NCI percentage of ICOT	49%	49%
Current assets	61,268	32,228
Non-current assets	55	65
Current liabilities	(51,088)	(26,500)
Non-current liabilities	(9)	(9)
Net assets attributable to owners of ICOT	10,226	5,784
Carrying amount of NCI	5,011	2,834

	2015 HK\$'000	2014 HK\$'000
Revenue	272,768	113,427
Profit for the year attributable to owners of ICOT	8,442	4,530
Total comprehensive income	8,442	4,530
Profit and total comprehensive income allocated to NCI	4,137	2,220
Dividend paid to NCI	1,960	3,234
Cash flows generated from/(used in) operating activities	21,899	(1,445)
Cash flows (used in)/generated from investing activities	(30)	3,651
Cash flows used in financing activities	(8,746)	(10,913)

15. TRADE AND OTHER RECEIVABLES

	Note	2015 HK\$'000	2014 HK\$'000
Trade debtors	(a),(e)	45,026	38,608
Gross amounts due from customers for contract work	(d)	23,247	4,192
Amounts due from related parties	24(b)	–	2,917
Other receivables		77	25
Rental and other deposits		1,097	729
Prepayments		1,720	312
		71,167	46,783

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes:

(a) **Ageing analysis of trade debtors**

The ageing analysis of trade debtors by age, presented based on the date of billing is as follows:

	2015 HK\$'000	2014 HK\$'000
Within 1 month	33,941	27,052
1 to 3 months	7,717	7,688
Over 3 months	3,368	3,868
	45,026	38,608

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).

(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 2(h)(i)). For the years ended 31 March 2015 and 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:

	2015 HK\$'000	2014 HK\$'000
Neither past due nor impaired	40,320	27,416
Less than 1 month past due	1,228	5,848
1 to 3 months past due	2,945	3,084
Over 3 months past due	533	2,260
	4,706	11,192
	45,026	38,608

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 2015 and 2014, the aggregate amount of costs incurred plus recognised profits less recognised losses to date, included in the gross amounts due from customers for contract work, was approximately HK\$35,008,000 and HK\$26,213,000, respectively. The gross amounts due from customers for contract work are expected to be recovered within one year.

(e) **Retention receivables**

As at 31 March 2015, included in trade debtors are retention receivables in respect of project contracts of HK\$375,000. The balance was not expected to be recovered within one year.

As at 31 March 2014, included in trade debtors are retention receivables of another project contracts of HK\$395,000. The balance was recovered during the year ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

16. CASH AND CASH EQUIVALENTS

	2015 HK\$'000	2014 HK\$'000
Cash on hand	57	56
Cash at banks	142,733	13,949
Cash and cash equivalents in the consolidated statements of financial position and cash flows	142,790	14,005

As at 31 March 2015, cash and cash equivalents in the amount of approximately HK\$69,000 (2014: HK\$641,000) are denominated in Renminbi. Of this, as at 31 March 2015, HK\$2,000 (2014: HK\$2,000) is placed with financial institutions in the PRC, the remittance of which is subject to relevant rules and regulations of foreign exchange control promulgated by the government of the PRC.

17. BANK BORROWINGS

The analysis of the carrying amount of bank borrowings repayable on demand or within one year is as follows:

	2015 HK\$'000	2014 HK\$'000
Bank loan granted under tax loan facility (see note below)	–	3,343
	–	3,343

Note: 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. Interest on the tax loan was charged on the outstanding amount at 1.5% per annum below the bank's HKD prime rate. As at 31 March 2014, the bank's HKD prime rate was 5.25% and the tax loan was secured by personal guarantees from Lee Cheong Yuen and Yong Man Kin, the directors of the Company. During the year ended 31 March 2015, the tax loan was fully repaid.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

18. TRADE AND OTHER PAYABLES

	Note	2015 HK\$'000	2014 HK\$'000
Trade creditors	(a)	48,189	13,939
Customers' deposits received		21,400	2,078
Deferred income		–	1,577
Accrued service costs		496	4,330
Other accrued expenses		15,196	7,779
Amounts due to related parties	24(b)	–	4,781
Dividend payable to equity owners of the Company		–	225
		85,281	34,709

Note:

(a) Ageing analysis of trade creditors

As at 31 March 2015 and 2014, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2015 HK\$'000	2014 HK\$'000
Within 1 month	44,025	8,823
1 to 3 months	4,133	5,101
Over 3 months	31	15
	48,189	13,939

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

19. OBLIGATION UNDER A FINANCE LEASE

As at 31 March 2015 and 2014, the Group had obligation under a finance lease repayable as follows:

	2015		2014	
	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000
Within 1 year	149	151	339	364
After 1 year but within 2 years	–	–	149	151
	<u>149</u>	<u>151</u>	<u>488</u>	<u>515</u>
Less: total future finance charges		<u>(2)</u>		<u>(27)</u>
Present value of lease obligation		<u>149</u>		<u>488</u>

20. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2015 HK\$'000	2014 HK\$'000
Income tax recoverable	–	(1,100)
Income tax payable	<u>4,705</u>	<u>387</u>
	<u>4,705</u>	<u>(713)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

20. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(a) Current taxation in the consolidated statement of financial position represents: (Continued)

The movement of the current taxation in the consolidated statement of financial position during the year is as follows:

Current taxation movement	2015 HK\$'000	2014 HK\$'000
At the beginning of the year	(713)	2,279
Charged to profit or loss	6,116	1,727
Tax paid for the year	(698)	(4,719)
At the end of the year	4,705	(713)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Depreciation allowance in excess of related depreciation	
	2015 HK\$'000	2014 HK\$'000
At the beginning of the year	161	82
Charged to profit or loss	–	79
At the end of the year	161	161

(c) Deferred tax assets and liabilities not recognised:

As at 31 March 2015, the Group did not recognise deferred tax assets of HK\$644,000 (2014: HK\$564,000) in respect of tax losses amounting to HK\$2,574,000 (2014: HK\$2,255,000) that can be carried forward against future taxable income. As at 31 March 2015, the tax losses of HK\$749,000 (2014: HK\$749,000), HK\$498,000 (2014: HK\$498,000), HK\$264,000 (2014: HK\$264,000), HK\$744,000 (2014: HK\$744,000) and HK\$319,000 (2014: HK\$nil) expire in 2015, 2017, 2018, 2019 and 2020, respectively.

There were no other material unrecognised deferred tax assets and liabilities as at 31 March 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

21. CAPITAL, RESERVES AND DIVIDENDS

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Note	Share capital \$'000	Share premium \$'000	Retained profits \$'000	Total \$'000
Balance at 26 April 2013 (date of incorporation)		-	-	-	-
Changes in equity for the period ended 31 March 2014:					
Issuance of shares	21(b)(ii)	1	-	-	1
Balance at 31 March 2014 and 1 April 2014		1	-	-	1
Changes in equity for the year ended 31 March 2015:					
Loss and total comprehensive income for the year		-	-	(95)	(95)
Capitalisation issue	21(b)(iv)	7,499	(7,499)	-	-
Issuance of shares under IPO, net of share issuance expenses	21(b)(v)	2,500	86,284	-	88,784
Balance at 31 March 2015		10,000	78,785	(95)	88,690

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

21. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital

Authorised and issued share capital

	Number of shares	Share capital HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each	10,000,000,000	100,000
Issued and fully paid:		
At 26 April 2013 (date of incorporation) (note (i))	1	–
Issuance of shares (note (ii))	999	1
At 31 March 2014 and 1 April 2014 (note (iii))	1,000	1
Capitalisation issue (note (iv))	749,999,000	7,499
Issuance of shares under IPO (note (v))	250,000,000	2,500
At 31 March 2015	1,000,000,000	10,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes:

- (i) The Company was incorporated on 26 April 2013 with an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each. On the same date, the Company allotted and issued one share of HK\$0.01 each to its then shareholder.
- (ii) On 5 July 2013, further 999 shares, as to 374 shares, 390 shares, 110 shares and 125 shares were allotted and issued, credited as fully paid, to Friends True Limited, BIZ Cloud Limited, Cloud Gear Limited and Imagine Cloud Limited respectively.
- (iii) Upon the completion of the Reorganisation on 27 February 2015, the Company became the holding company of the Group.

Since the Reorganisation was not completed on 31 March 2014, the share capital in the consolidated statement of financial position as at 31 March 2014 represented the aggregate amount of share capital of the Company, Great Talent and Wide Ocean. The share capital in the consolidated statement of financial position as at 31 March 2015 represented the share capital of the Company.

- (iv) On 3 March 2015, pursuant to a written resolution of the shareholders of the Company, the directors of the Company were authorised to allot and issue a total of 749,999,000 shares, by way of capitalisation of the sum of HK\$7,499,990 standing to the credit of the share premium account of the Company, credited as fully paid at par to the then existing shareholders of the Company. This resolution was conditional on the share premium account being credited as a result of the Company's IPO and pursuant to this resolution, the sum of HK\$7,499,990 standing to the credit of the share premium account of the Company was subsequently applied in paying up this capitalisation in full upon the Listing Date.
- (v) On 18 March 2015, the Company was successfully listed on the GEM of the Stock Exchange following the completion of its IPO of 250,000,000 shares of HK\$0.01 each issued at a price of HK\$0.38 per share. Proceeds of HK\$2,500,000, representing the par value of shares issued, were credited to the Company's share capital. The remaining proceeds of approximately HK\$86,284,000, after deducting share issuance expenses of approximately HK\$6,216,000, were credited to the share premium account.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

21. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Nature and purpose of reserves

(i) Share premium

Share premium arose from the issue of shares at a price greater than the par value of the shares.

The share premium account is governed by the Companies Law of the Cayman Islands and may be applied by the Company subject to the provisions, if any, of its memorandum and articles of association in paying distributions or dividends to equity shareholders.

No distribution or dividend may be paid to the equity shareholders out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

(ii) 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 policy set out in note 2(r).

(d) Dividends

Interim dividends during the years ended 31 March 2015 and 2014 represented dividends declared by the companies now comprising the Group to the controlling shareholders.

The directors of the Company do not recommend the payment of a final dividend for the year ended 31 March 2015.

(e) Distributability of reserves

At 31 March 2015, the aggregate amount of the Company's reserves available for distribution to equity shareholders of the Company, as calculated in accordance with the Companies Law of the Cayman Islands and the Company's memorandum and articles of association was HK\$78,690,000 (2014: Nil).

(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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

21. CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(f) Capital management (Continued)

During the year, the Group's strategy (which was unchanged from 2014) 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 2015, the Group has no adjusted debt as the Group's cash and cash equivalents exceeded its total debt. As at 31 March 2014, the adjusted debt-to-capital ratio of the Group was 102% and was relatively high, and the directors of the Company regarded this situation as 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 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 2015, 1% (2014: 15%) of the trade debtors was due from the Group's largest customer; and 39% (2014: 55%) of the trade debtors was 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 15.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

22. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(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 19. Save as the above, all other financial liabilities disclosed in the consolidated statement 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 2015 and 2014.

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank borrowings and cash at banks. Bank borrowings and cash at banks 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:

	Note	2015 HK\$'000	2014 HK\$'000
Variable rate instruments			
Financial liabilities – bank borrowings	17	–	(3,343)
Financial assets – cash at banks	16	142,733	13,949
Total net deposits		142,733	10,606

As at 31 March 2015, it is estimated that a general increase/decrease of 10 basis points in interest rates for bank borrowings and cash at banks, with all other variables held constant, would increase/decrease the Group's profit for the year and retained earnings by approximately HK\$119,000 (2014: HK\$9,000).

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 for 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

22. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Foreign currency exchange risk

For presentation purposes, the Group's financial statements is shown in Hong Kong dollars (HKD), which is also the functional currency of the Company. The companies within the Group, whose functional currencies are different from Hong Kong dollars, have translated their financial statements into HKD for consolidated 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 2015 and 2014.

23. OPERATING LEASE COMMITMENTS

As at 31 March 2015 and 2014, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2015 HK\$'000	2014 HK\$'000
Within one year	3,000	1,692
In the second to fifth year, inclusive	2,571	-
	5,571	1,692

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

24. MATERIAL RELATED PARTY TRANSACTIONS

During the years ended 31 March 2015 and 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

In addition to those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

(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 9 and certain of the highest paid employees of the Group as disclosed in note 10, is as follows:

	2015 HK\$'000	2014 HK\$'000
Short-term employee benefits	7,322	6,526
Post-employment benefits	104	92
	7,426	6,618

Total remuneration is included in staff costs (see note 7(b)).

(b) Financing arrangements with related parties

As at the end of each reporting period, the Group has the following balances with related parties:

	Note	Amounts owed to the Group by related parties		Amounts owned by the Group to related parties	
		2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Amounts due from/to members of key management personnel					
– Lee Cheong Yuen	(i), (ii), (iii)	–	1,604	–	–
– Yong Man Kin	(i), (ii), (iii)	–	–	–	4,271
– Chan Kwok Pui	(i), (ii), (iii)	–	–	–	510
– Tam Kwok Wah	(i), (ii), (iii)	–	1,313	–	–
		–	2,917	–	4,781

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

24. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Financing arrangements with related parties (Continued)

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 15) and the amounts owed by the Group to related parties are included in "Trade and other payables" (note 18).
- (ii) The outstanding balances due from related parties as at 1 April 2013 and the maximum outstanding balances due from related parties during the years ended 31 March 2015 and 2014 are as follows:

	Opening	Maximum balance outstanding	
	balance	During the year ended 31 March	
	At 1 April	2015	2014
	2013	2015	2014
	HK\$'000	HK\$'000	HK\$'000
Amounts due from members of key management personnel			
– Lee Cheong Yuen	5,166	1,637	5,176
– Yong Man Kin	1,086	–	1,130
– Tam Kwok Wah	2,146	1,471	2,157
– Chan Kwok Pui	853	–	863

- (iii) No provisions for bad or doubtful debts have been made in respect of these amounts due from related parties as at 31 March 2015 and 2014.

(c) Other related party transactions

The key management personnel of the Group have provided their personal guarantees to the bank for a tax loan facility granted to the Group during the year ended 31 March 2014. Details of such personal guarantees are disclosed in note 17.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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 a 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 recognised	(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

26. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	31 March 2015 HK\$'000	31 March 2014 HK\$'000
Non-current assets			
Investments in subsidiaries	14	1	-
		1	-
Current assets			
Trade and other receivables		88,783	1
		88,783	1
Current liabilities			
Trade and other payables		(94)	-
		(94)	-
Net current assets		88,689	1
Net assets		88,690	1
Capital and reserves			
Share capital	21	10,000	1
Reserves		78,690	-
Total equity		88,690	1

Approved and authorised for issue by the board of directors on 30 June 2015 and were signed on its behalf by Yong Man Kin, chairman and executive director, and Lee Cheong Yuen, chief executive officer and executive director.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

27. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2015

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2015 and which have not been early adopted in these financial statements. 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 January 2016
Amendments to HKAS 16 and HKAS 38, <i>Clarification on Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
HKFRS 15 "Revenue from Contracts with Customers"	1 January 2017
HKFRS 9 "Financial Instruments"	1 January 2018

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. Except for HKFRS 15, 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.

28. ULTIMATE CONTROLLING PARTY

The directors regard Mr. Lee Cheong Yuen, Mr. Yong Man Kin, Mr. Chan Kwok Pui and Mr. Tam Kwok Wah through their direct shareholdings in the Company as being the ultimate controlling party. The Company does not have any parent company.

FINANCIAL SUMMARY

For the years ended 31 March 2012, 2013, 2014 and 2015

RESULTS

	Year ended 31 March			
	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000
Revenue	220,687	196,152	189,984	389,268
Profit before taxation	18,019	16,315	2,436	30,320
Income tax	(1,890)	(3,518)	(1,806)	(6,116)
Profit for the year	16,129	12,797	630	24,204
Profit/(loss) attributable to:				
Equity shareholders of the Company	12,488	12,886	(1,590)	20,067
Non-controlling interests	3,641	(89)	2,220	4,137
	16,129	12,797	630	24,204

ASSETS AND LIABILITIES

	As at 31 March			
	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000
Total assets	76,858	70,594	63,108	215,360
Total liabilities	(49,700)	(34,244)	(39,088)	(90,296)
Total equity	27,158	36,350	24,020	125,064
Non-controlling interests	(1,694)	(1,633)	(2,834)	(5,011)
Total equity attributable to equity shareholders of the Company	25,464	34,717	21,186	120,053