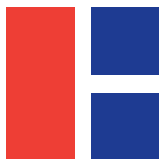


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ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8140)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

**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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and that there are no other matters the omission of which would make any statement herein or this announcement misleading.*

This announcement 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 announcement will also be published and remains on the Company’s website at www.ico.com.hk.

* For identification purpose only

INTERIM RESULTS

The board of Directors of the Company (the “**Board**”) is pleased to present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and six months ended 30 September 2015, together with the comparative unaudited and audited figures for the corresponding period in 2014, respectively, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and six months ended 30 September 2015

		Three months ended 30 September		Six months ended 30 September	
		2015	2014	2015	2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	4	148,823	50,411	244,938	88,715
Cost of sales		(127,290)	(38,446)	(205,331)	(68,003)
Gross profit		21,533	11,965	39,607	20,712
Other revenue and net income	5	263	159	680	415
General and administrative expenses		(11,034)	(9,439)	(20,780)	(18,475)
Profit from operations		10,762	2,685	19,507	2,652
Finance costs	6(a)	(1)	(56)	(3)	(102)
Profit before taxation	6	10,761	2,629	19,504	2,550
Income tax	7	(1,898)	(489)	(3,398)	(640)
Profit for the period		8,863	2,140	16,106	1,910
Attributable to:					
Equity shareholders of the Company		6,895	1,233	12,896	627
Non-controlling interests		1,968	907	3,210	1,283
Profit for the period		8,863	2,140	16,106	1,910
Earnings per share	9				
Basic and diluted (HK cents per share)		0.17	0.04	0.32	0.02

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2015

	Three months ended 30 September		Six months ended 30 September	
	2015 (Unaudited) <i>HK\$'000</i>	2014 (Unaudited) <i>HK\$'000</i>	2015 (Unaudited) <i>HK\$'000</i>	2014 (Audited) <i>HK\$'000</i>
Profit for the period	8,863	2,140	16,106	1,910
Other comprehensive income/(loss) for the period				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences:				
— on translation of financial statements of entities outside Hong Kong	116	(53)	119	(50)
Total comprehensive income for the period	8,979	2,087	16,225	1,860
Attributable to:				
Equity shareholders of the Company	7,011	1,180	13,015	577
Non-controlling interests	1,968	907	3,210	1,283
Total comprehensive income for the period	8,979	2,087	16,225	1,860

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	<i>Note</i>	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	10	50,816	1,315
Intangible assets		73	88
		50,889	1,403
Current assets			
Trade and other receivables	11	86,408	71,167
Cash and cash equivalents		94,712	142,790
		181,120	213,957
Current liabilities			
Trade and other payables	12	(84,797)	(85,281)
Obligation under a finance lease		–	(149)
Current taxation		(8,016)	(4,705)
		(92,813)	(90,135)
Net current assets		88,307	123,822
Total assets less current liabilities		139,196	125,225
Non-current liabilities			
Deferred tax liabilities		(161)	(161)
Net assets		139,035	125,064
Equity			
Share capital	13	10,000	10,000
Reserves		123,068	110,053
Total equity attributable to equity shareholders of the Company		133,068	120,053
Non-controlling interests		5,967	5,011
Total equity		139,035	125,064

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 September 2015

	Attributable to equity shareholders of the Company						Total equity HK\$'000
	Capital	Share	Exchange	Retained	Total	Non-	
	HK\$'000	premium	reserve	earnings	HK\$'000	controlling	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	interest	HK\$'000
						HK\$'000	
For the six months ended 30 September 2014 (Audited)							
Balance at 1 April 2014	1	–	(258)	21,443	21,186	2,834	24,020
Changes in equity for the six months ended 30 September 2014:							
Profit for the period	–	–	–	627	627	1,283	1,910
Other comprehensive loss for the period	–	–	(50)	–	(50)	–	(50)
Total comprehensive income/(loss) for the period	–	–	(50)	627	577	1,283	1,860
Balance at 30 September 2014	<u>1</u>	<u>–</u>	<u>(308)</u>	<u>22,070</u>	<u>21,763</u>	<u>4,117</u>	<u>25,880</u>
For the six months ended 30 September 2015 (Unaudited)							
Balance at 1 April 2015	10,000	78,785	(262)	31,530	120,053	5,011	125,064
Changes in equity for the six months ended 30 September 2015:							
Profit for the period	–	–	–	12,896	12,896	3,210	16,106
Other comprehensive income for the period	–	–	119	–	119	–	119
Total comprehensive income for the period	–	–	119	12,896	13,015	3,210	16,225
Interim dividend declared to the non-controlling shareholders	–	–	–	–	–	(2,254)	(2,254)
Balance at 30 September 2015	<u>10,000</u>	<u>78,785</u>	<u>(143)</u>	<u>44,426</u>	<u>133,068</u>	<u>5,967</u>	<u>139,035</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015

	Six months ended	
	30 September	
	2015	2014
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	3,819	8,396
Investing activities		
Payments for acquisition of property, plant and equipment	(49,807)	(172)
Other cash inflows/(outflows) arising from investing activities	316	(22)
Net cash used in investing activities	(49,491)	(194)
Net cash used in financing activities	(2,406)	(3,785)
Net (decrease)/increase in cash and cash equivalents	(48,078)	4,417
Cash and cash equivalents at the beginning of the period	142,790	14,005
Cash and cash equivalents at the end of the period	94,712	18,422

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and six months ended 30 September 2015

1. GENERAL

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. Its shares were listed on GEM of the Stock Exchange on 18 March 2015. The Company's registered office address is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company is 30/F., Siu On Centre, 188 Lockhart Road, Wanchai, Hong Kong. The Group is principally engaged in the businesses of IT application and solution development, IT infrastructure solutions, secondment services and maintenance and support services.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2015 have been prepared in accordance with the Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of the GEM Listing Rules. It was authorised for issue on 9 November 2015.

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 GEM of the Stock Exchange, the Company became the holding company of the subsidiaries now comprising the Group. The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the combined financial statements of the Group for the six months ended 30 September 2014 have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” as if the group structure under the Reorganisation had been in existence throughout the six months ended 30 September 2014.

The unaudited condensed consolidated financial statements has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2015, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 March 2016. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 March 2015. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the provision of IT application and solution development services, IT infrastructure solutions, secondment services, maintenance and support services. The amount of each significant category of revenue is as follows:

	Three months ended		Six months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
IT application and solution development	81,882	3,500	100,712	6,674
IT infrastructure solutions	52,891	30,677	115,803	50,228
Secondment services	7,003	11,134	13,908	21,880
Maintenance and support services	7,047	5,100	14,515	9,933
	<u>148,823</u>	<u>50,411</u>	<u>244,938</u>	<u>88,715</u>

(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.

(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 period. The Group's other income and expense items, such as general and administrative expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, depreciation and amortization, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the three months and six months ended 30 September 2015 and 2014 is set out below.

	Three months ended 30 September 2015 (Unaudited)				
	IT application and solution development <i>HK\$'000</i>	IT infrastructure solutions <i>HK\$'000</i>	Secondment services <i>HK\$'000</i>	Maintenance and support service <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers and reportable segment revenue	<u>81,882</u>	<u>52,891</u>	<u>7,003</u>	<u>7,047</u>	<u>148,823</u>
Reportable segment gross profit	<u>12,927</u>	<u>4,755</u>	<u>1,392</u>	<u>2,459</u>	<u>21,533</u>
	Six months ended 30 September 2015 (Unaudited)				
	IT application and solution development <i>HK\$'000</i>	IT infrastructure solutions <i>HK\$'000</i>	Secondment services <i>HK\$'000</i>	Maintenance and support service <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers and reportable segment revenue	<u>100,712</u>	<u>115,803</u>	<u>13,908</u>	<u>14,515</u>	<u>244,938</u>
Reportable segment gross profit	<u>20,525</u>	<u>12,210</u>	<u>2,749</u>	<u>4,123</u>	<u>39,607</u>

Three months ended 30 September 2014 (Unaudited)					
	IT application and solution development <i>HK\$'000</i>	IT infrastructure solutions <i>HK\$'000</i>	Secondment services <i>HK\$'000</i>	Maintenance and support service <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers and reportable segment revenue	<u>3,500</u>	<u>30,677</u>	<u>11,134</u>	<u>5,100</u>	<u>50,411</u>
Reportable segment gross profit	<u>825</u>	<u>5,182</u>	<u>3,836</u>	<u>2,122</u>	<u>11,965</u>
Six months ended 30 September 2014 (Audited)					
	IT application and solution development <i>HK\$'000</i>	IT infrastructure solutions <i>HK\$'000</i>	Secondment services <i>HK\$'000</i>	Maintenance and support service <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers and reportable segment revenue	<u>6,674</u>	<u>50,228</u>	<u>21,880</u>	<u>9,933</u>	<u>88,715</u>
Reportable segment gross profit	<u>2,273</u>	<u>6,604</u>	<u>7,496</u>	<u>4,339</u>	<u>20,712</u>

(ii) *Geographic information*

The following tables set out information about the geographical location of the Group's revenue from external customers and the Group's property, 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 property, 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 three months and six months ended 30 September 2015 and 2014 is set out below:

	Three months ended 30 September		Six months ended 30 September	
	2015 (Unaudited) <i>HK\$'000</i>	2014 (Unaudited) <i>HK\$'000</i>	2015 (Unaudited) <i>HK\$'000</i>	2014 (Audited) <i>HK\$'000</i>
Hong Kong (place of domicile)	<u>148,823</u>	<u>50,411</u>	<u>244,938</u>	<u>88,715</u>
The PRC	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>148,823</u>	<u>50,411</u>	<u>244,938</u>	<u>88,715</u>

The geographical information of the Group's specified non-current assets as at 30 September 2015 and 31 March 2015 is set out below:

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Hong Kong (place of domicile)	50,847	1,360
The PRC	42	43
	<u>50,889</u>	<u>1,403</u>

5. OTHER REVENUE AND NET INCOME

	Three months ended 30 September		Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000
Bank interest income	193	–	316	1
Marketing income	46	78	46	293
Others	53	–	301	–
Net foreign exchange (loss)/gain	(29)	81	17	121
	<u>263</u>	<u>159</u>	<u>680</u>	<u>415</u>

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Three months ended 30 September		Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Audited) HK\$'000
Total interest expense on financial liabilities not at fair value through profit or loss:				
Interest on bank borrowings	–	49	–	86
Finance charges on obligation under a finance lease	1	7	3	16
	<u>1</u>	<u>56</u>	<u>3</u>	<u>102</u>

(b) Staff costs (including directors' remuneration)

	Three months ended		Six months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Salaries, wages and other benefits	30,281	20,971	56,147	40,220
Contributions to defined contribution retirement plans	1,024	950	1,927	1,648
	<u>31,305</u>	<u>21,921</u>	<u>58,074</u>	<u>41,868</u>

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

	Three months ended		Six months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amortisation of intangible assets	6	5	15	10
Depreciation of property, plant and equipment	159	122	305	243
Auditors' remuneration				
— audit services	—	300	—	600
— other services	65	—	65	50
Operating lease charges in respect of properties	632	454	1,351	908
	<u>632</u>	<u>454</u>	<u>1,351</u>	<u>908</u>

7. INCOME TAX

The taxation charged to profit or loss represents:

	Three months ended		Six months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong Profits Tax	1,898	489	3,398	640
	<u>1,898</u>	<u>489</u>	<u>3,398</u>	<u>640</u>

The statutory income tax rate of the Company and its subsidiaries registered in Hong Kong for the six months ended 30 September 2015 and 2014 was 16.5%.

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 six months ended 30 September 2015 and 2014.

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

8. DIVIDENDS

The Directors do not recommend the payment of a dividend for the three and six months ended 30 September 2015 (for the three and six months ended 30 September 2014: Nil).

9. EARNINGS PER SHARE

(a) Basic earnings per share

Profit attributable to equity shareholders of the Company used in the calculation of the basic earnings per share for the three months and six months ended 30 September 2015 is HK\$6,895,000 and HK\$12,896,000 respectively (for the three months and six months ended 30 September 2014: HK\$1,233,000 and HK\$627,000 respectively).

The weighted average number of ordinary shares used in the calculation of the basic earnings per share during the three months and six months ended 30 September 2015 is 4,000,000,000 shares, which is based on the number of shares in issue of 1,000,000,000 throughout the period and is adjusted for the share subdivision detailed in note 13.

The weighted average number of ordinary shares used in the calculation of the basic earnings per share during the three months and six months ended 30 September 2014 is based on the assumption that 3,000,000,000 ordinary shares of the Company were in issue, comprising (i) 1,000 ordinary shares in issue and 749,999,000 ordinary shares issued pursuant to the capitalisation issue, for which the details are set out in the annual report of the Company for the year ended 31 March 2015, as if these shares were outstanding throughout that period and (ii) adjustment for the share subdivision detailed in note 13.

(b) Diluted earnings per share

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in existence during the three months and six months ended 30 September 2015 and 2014.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2015, the Group had additions of property, plant and equipment of HK\$49,807,000, which was mainly attributable to the acquisition of properties detailed in the announcement dated 10 September 2015 issued by the Company (for the six months ended 30 September 2014: HK\$172,000).

11. TRADE AND OTHER RECEIVABLES

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Trade debtors	62,839	45,026
Gross amounts due from customers for contract work	18,377	23,247
Other receivables	77	77
Rental and other deposits	1,245	1,097
Prepayments	3,870	1,720
	86,408	71,167

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:

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Within 1 month	47,538	33,941
1 to 3 months	7,405	7,717
Over 3 months	7,896	3,368
	62,839	45,026

Trade debtors are due within 60 days from the date of billing.

(B) IMPAIRMENT OF TRADE DEBTORS

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly. For the six months ended 30 September 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:

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Neither past due nor impaired	52,965	40,320
Less than 1 month past due	1,795	1,228
1 to 3 months past due	6,397	2,945
Over 3 months past due	1,682	533
	<u>9,874</u>	<u>4,706</u>
	<u>62,839</u>	<u>45,026</u>

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.

12. TRADE AND OTHER PAYABLES

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Trade creditors	58,097	48,189
Customers' deposits received	19,245	21,400
Accrued service costs	496	496
Other accrued expenses	6,959	15,196
	<u>84,797</u>	<u>85,281</u>

Note:

Ageing analysis of trade creditors

As at 30 September 2015 and 31 March 2015, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Within 1 month	25,364	44,025
1 to 3 months	26,844	4,133
Over 3 months	5,889	31
	<u>58,097</u>	<u>48,189</u>

13. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Authorised:		
As at 31 March 2015 (audited) and 30 September 2015 (unaudited) Ordinary shares of HK\$0.01 each	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
As at 31 March 2015 (audited) and 30 September 2015 (unaudited) Ordinary shares of HK\$0.01 each	<u>1,000,000,000</u>	<u>10,000</u>

On 4 September 2015, the Board proposed a share subdivision whereby each of the issued and unissued ordinary share with a par value of HK\$0.01 each in the share capital of the Company be subdivided into four ordinary shares with a par value of HK\$0.0025 each ("Subdivided Share(s)"), such that the authorised share capital of the Company becomes HK\$100,000,000 divided into 40,000,000,000 Subdivided Shares of par value of HK\$0.0025 each. The Subdivided Shares rank pari passu in all respects with each other in accordance with the memorandum and articles of association of the Company. The share subdivision was approved upon the passing of the ordinary resolution by the shareholders of the Company at the extraordinary general meeting held on 2 October 2015 and became effective on 5 October 2015.

14. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain senior management staff of the Group, is as follows:

	Three months ended		Six months ended	
	30 September		30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Short-term employee benefits	2,035	1,638	4,027	3,274
Post-employment benefits	34	27	73	51
	<u>2,069</u>	<u>1,665</u>	<u>4,100</u>	<u>3,325</u>

Total remuneration is included in staff costs (see note 6(b)).

(b) Other related party transactions

Saved as disclosed elsewhere in the unaudited condensed consolidated financial statements, there were no other significant related party transactions and balances during the three months and six months ended 30 September 2015 and 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 September 2015 (“**Interim 2015**”), the Group’s operations and business achieved a significant growth when compared to the results for the six months ended 30 September 2014 (“**Interim 2014**”).

Provision of IT application and solution development services

This segment provides design and implementation of IT application solution and procurement of third party hardware and software. The revenue generated from this segment during Interim 2015 amounted to approximately HK\$100.7 million, representing approximately 41% of the total revenue for Interim 2015. The revenue derived from this segment increased by approximately 14.1 times from approximately HK\$6.7 million for Interim 2014 to approximately HK\$100.7 million for Interim 2015. The increase was primarily due to significant amount of revenue recognised from a number of sizable IT projects in the government and financial sectors which were not yet commenced in Interim 2014, including the Group’s largest IT project in progress.

Provision of IT infrastructure solutions

This segment provides IT infrastructure solutions services and sale of related IT hardware and software. The revenue generated from this segment accounted for approximately 47% of the total revenue for Interim 2015. The revenue from this segment increased by approximately 1.3 times from approximately HK\$50.2 million for Interim 2014 to approximately HK\$115.8 million for Interim 2015, the increase was primarily due to (i) the Group expanded its market in the financial sector as a result of its increased marketing effort on this sector; (ii) demand from existing customers increased due to their needs for technological refreshment; and (iii) the expansion of the Group’s sales channel in the general business sector during Interim 2015.

Provision of secondment services

This segment provides secondment services for a fixed period of time pursuant to secondment service agreements. The revenue generated from this segment amounted to approximately HK\$13.9 million, representing approximately 6% of the total revenue for Interim 2015. The revenue derived from this segment decreased by approximately 36% from approximately HK\$21.9 million for Interim 2014 to approximately HK\$13.9 million for Interim 2015, the decrease was primarily due to (i) the completion of several secondment contracts during the year ended 31 March 2015; and (ii) the decrease in demand for seconded staff from one of the Group’s major secondment customers.

Provision of maintenance and support services

This segment provides maintenance and support services. The revenue generated from this segment amounted to approximately HK\$14.5 million, representing approximately 6% of the total revenue for Interim 2015. The revenue derived from this segment increased by approximately 46% from approximately HK\$9.9 million for Interim 2014 to approximately HK\$14.5 million for Interim 2015, the increase was primarily due to several new maintenance and support services agreements were awarded by existing customers from the IT infrastructure solutions segment subsequent to the completion of IT infrastructure solution services during the year ended 31 March 2015.

Despite the significant growth of the Group's business during Interim 2015, the Group continues to face various risk and uncertainties which may adversely affect its business, results and financial position. The risk and uncertainties facing by the Group are detailed under the section headed "Risk Factors" in the prospectus of the Company dated 10 March 2015 (the "**Prospectus**"). In order to mitigate the risks, the management of the Group would closely monitor the operations and financial position of the Group, as well as maintaining good relationship with customers and suppliers.

Looking forward, 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, from time to time, continue to explore for opportunities to create shareholders' value through investing and acquiring interests in companies or projects with promising outlooks and prospects. Given the Group had continued to carry out the expansion plan as disclosed in 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, mobile applications and "cloud" applications, as well as provision of mobile application products and services.

The Board is of the view that potential new investment, acquisition and business engagements together with the existing business will bring further value to the Company and its shareholders as a whole.

FINANCIAL REVIEW

Revenue

The Group's revenue for Interim 2015 amounted to approximately HK\$244.9 million, representing an increase of approximately HK\$156.2 million or 1.8 times compared to Interim 2014 (2014: approximately HK\$88.7 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\$94.0 million; (ii) the increase in revenue generated from provision of IT infrastructure solutions of approximately HK\$65.6 million; (iii) the increase in revenue generated from provision of maintenance and support services of approximately HK\$4.6 million; and (iv) the decrease in revenue generated from provision of secondment services of approximately HK\$8.0 million.

Gross profit and gross profit margin

The gross profit of the Group increased by approximately 91% from approximately HK\$20.7 million for Interim 2014 to approximately HK\$39.6 million for Interim 2015, while the gross profit margin of the Group decreased from approximately 23% for Interim 2014 to approximately 16% for Interim 2015. The increase in the gross profit of the Group was primarily due to the increase in gross profit generated from provision of IT infrastructure solutions and provision of IT application and solution development services, which was in line with the increase in revenue generated from these segments. The decrease in gross profit margin was primarily due to (i) the decrease in the gross profit margin for the IT application and solution development services segment resulted from the adoption of a competitive pricing strategy for the Group's largest IT project in progress; (ii) the decrease in gross profit margin for fixed price secondment service agreements following the annual salary increment for seconded staff; and (iii) the increase in subcontracting agreements of maintenance and support services entered into by the Group for Interim 2015 which led to a relatively lower gross profit margin for the maintenance and support segment.

Administrative expenses

The Group's administrative expenses for Interim 2015 amounted to approximately HK\$20.8 million, representing an increase of approximately HK\$2.3 million or 12% as compared to Interim 2014 (2014: approximately HK\$18.5 million). Such increase was mainly due to (i) the increase in sales commission paid to sales staff of the Group as compared with Interim 2014 which was in line with the increase in gross profit of the Group; (ii) the increase in professional fee in relation to corporate actions made pursuant to the requirements of the GEM Listing Rules; and (iii) the increase in overall office rental in relation to a new rented office premise due to the expansion of the Group's business.

Listing expenses

In Interim 2014, the one-off listing expenses of approximately HK\$1.2 million, which was included in administrative expenses, have been recorded by the Group. In Interim 2015, there was no such expenses incurred.

Profit for the period

The Group recorded a net profit of approximately HK\$16.1 million for Interim 2015, representing an increase of approximately HK\$14.2 million or 7.4 times as compared to Interim 2014 (2014: approximately HK\$1.9 million). The increase was mainly attributable to the combined effect of: (i) the increase in gross profit of approximately HK\$18.9 million as compared to Interim 2014; (ii) the increase in administrative expenses of approximately HK\$2.3 million as compared to Interim 2014; and (iii) the increase in provision for income tax of approximately HK\$2.8 million as compared to Interim 2014 as a result of the increase in profit before taxation.

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 30 September 2015 is set out below:

Business objectives

Actual progress up to 30 September 2015

Purchase of new office premises as well as equipping and renovating the Group's existing office premises

As announced on 3 July 2015 and 10 September 2015 respectively, on 10 September 2015, the Company acquired an office premise and a car park in Hong Kong at the consideration of HK\$45,294,000, out of which approximately HK\$19.4 million was financed by the net proceeds from placing. The Directors consider the abovementioned acquisition represents a good investment opportunity and at the same time would save the cost for renting offices in the long run, and thus decided to utilise the entire sum of net proceeds for this business objective earlier than anticipated in the Prospectus.

Expanding the Group's professional team and enhancing its service quality

The Company has from time to time recruited additional suitable IT talents. The Group's IT staff has increased from 218 as at 1 April 2015 to 277 as at 30 September 2015.

Strategic growth through merger, acquisition or business collaboration

The Company is still in the process of identifying suitable targets and thus no proceeds have been spent in this regard.

Expansion of IT application and solution development business

The Group is monitoring the latest development of tenders regarding IT projects from time to time.

Starting a research and development team

The Group's research and development team has been established. The Group is in the process of exploring and developing new products.

Strengthening the Group's marketing efforts

The Group has launched additional marketing and promotional events to promote its branding in the market.

The Directors will constantly evaluate the Group's business objectives and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.

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 30 September 2015 is set out below:

	Net proceeds from the placing <i>HK\$'000</i>	Planned amount utilised up to 30 September 2015 <i>HK\$'000</i>	Actual utilised amount as at 30 September 2015 <i>HK\$'000</i>	Unutilised amount as at 30 September 2015 <i>HK\$'000</i>
Purchase of new office premises as well as equipping and renovating our existing office premises	19,400	2,200	19,400	–
Expanding our professional team and enhancing our service quality	15,800	1,700	3,200	12,600
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	500	500	4,900
Strengthening our marketing efforts	2,400	500	500	1,900

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2015, the shareholders' funds of the Group amounted to approximately HK\$133.1 million. Current assets were approximately HK\$181.1 million, mainly comprised of cash and cash equivalents of approximately HK\$94.7 million and trade and other receivables of approximately HK\$86.4 million. Current liabilities mainly comprised of trade and other payables of approximately HK\$84.8 million and tax payable of approximately HK\$8 million. The significant decrease in current assets of the Group was primarily attributable to the purchases of an office premise and a car park at a total consideration of HK\$45,294,000 during Interim 2015, of which the consideration was fully settled by cash resources of the Group. The net asset value per share was approximately HK\$0.03 after adjusted for the share subdivision detailed in note 13 to the unaudited condensed consolidated financial statements. As at 30 September 2015, the Group had no bank borrowings (At 31 March 2015: Nil) The Group's gearing ratio, expressed as a percentage of bank borrowings and long-term debts over total equity, was nil. As at 30 September 2015, the current ratio of the Group, determined as a ratio of current assets over current liabilities, was 2.0 times (At 31 March 2015: 2.4 times).

CAPITAL STRUCTURE

The shares of the Company were successfully listed on GEM of the Stock Exchange on 18 March 2015. The share capital of the Group only comprises of ordinary shares.

As at 30 September 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.

On 4 September 2015, the Board proposed a share subdivision whereby each of the issued and unissued ordinary share with a par value of HK\$0.01 each in the share capital of the Company be subdivided into four ordinary shares with a par value of HK\$0.0025 each ("**Subdivided Share(s)**"), such that the authorised share capital of the Company becomes HK\$100,000,000 divided into 40,000,000,000 Subdivided Shares of par value of HK\$0.0025 each. The Subdivided Shares rank pari passu in all respects with each other in accordance with the memorandum and articles of association of the Company. The share subdivision was approved upon the passing of the ordinary resolution by the shareholders of the Company at the extraordinary general meeting held on 2 October 2015 and became effective on 5 October 2015.

COMMITMENTS

As at 30 September 2015, the Group had operating lease commitments in respect of rented office of approximately HK\$4,009,000 (At 31 March 2015: HK\$5,571,000).

As at 30 September 2015, the Group did not have any significant capital commitments (At 31 March 2015: 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 Interim 2015, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENTS

On 3 July 2015, ICO Group Holdings Limited (as purchaser), an indirectly wholly-owned subsidiary of the Company entered into provisional agreements with Earn Power Development Limited (as vendor) for the purchases of an office premise and a carpark in Hong Kong at a total consideration of HK\$45,294,000 (the "**Acquisition**").

The Directors consider that the Acquisition represents a good investment opportunity and at the same time would save the cost for renting office in the long run. The Board considers that the Acquisition is in line with the Group's business objectives as set out in the Prospectus. On 10 September 2015, the said Acquisition had been completed.

For details, please refer to the announcements of the Company dated 3 July 2015 and 10 September 2015.

Save and except for disclosed above, the Group did not hold any significant investments as at 30 September 2015.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2015 (At 31 March 2015: Nil).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

For the six months ended 30 September 2015, 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 30 September 2015, the Group did not have any charges on the Group's assets (At 31 March 2015: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2015, the Group employed a total of 308 full-time employees (2014: 235). The staff costs, including Directors' emoluments, of the Group were approximately HK\$58.1 million for the six months ended 30 September 2015 (2014: approximately HK\$41.9 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.

OTHER INFORMATION

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 Company endeavours to adopt prevailing best corporate governance practices. For the six months ended 30 September 2015, 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, save for the deviation from the code provision A.2.7 as explained below:

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. 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 for a meeting to be held between the chairman of the Board and non-executive Directors without the executive Directors’ presence.

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.

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 “**Required Standard of Dealings**”). 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 for the six months ended 30 September 2015.

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 September 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any securities of the Company.

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 six months ended 30 September 2015.

Change of Compliance Adviser

On 30 October 2015, the Company and New Spring Capital Limited have mutually agreed to terminate the compliance adviser agreement entered between the Company and New Spring Capital Limited dated 3 March 2015 due to the recent changes in personnel of New Spring Capital Limited. On the same day, the Company appointed RHB Capital Hong Kong Limited as the new compliance adviser to the Company as required under Rule 6A.19 and 6A.20 of the GEM Listing Rules with effect from 1 November 2015. For further details, please refer to the announcement of the Company dated 30 October 2015.

Events after 30 September 2015

Save and except for disclosed elsewhere in this interim report, there are no significant events after the reporting period of the Group.

Audit Committee

The Company established the Audit Committee 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 websites of the Stock Exchange and the Company.

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.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2015 have been reviewed by the audit committee of the Company, which was of the opinion that the unaudited condensed consolidated financial statements had been prepared in compliance with the applicable accounting standards and the GEM Listing Rules.

Interests of the Compliance Adviser

As notified by New Spring Capital Limited and RHB Capital Hong Kong Limited, neither New Spring Capital Limited nor RHB Capital Hong Kong Limited, any of their directors, employees and close associates had any interest in the securities of the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules for the six months ended 30 September 2015.

By order of the Board
Yong Man Kin
Chairman and Executive Director

Hong Kong, 9 November 2015