



ICO Group Limited

揚科集團有限公司\*

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1460

INTERIM REPORT

2022/23

\* For identification purpose only

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# INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of ICO Group Limited (the "Company") is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2022, together with the comparative figures for the corresponding period in 2021, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2022

	Notes	(Unaudited)	
		Six months ended 30 September	
		2022	2021
		HK\$'000	HK\$'000
Revenue	6	404,590	358,951
Cost of sales		(321,027)	(281,770)
<b>Gross profit</b>		<b>83,563</b>	<b>77,181</b>
Other revenue and other net gains	7	4,563	993
General and administrative expenses		(62,923)	(46,247)
Impairment losses on trade receivables and contract assets		(85)	(751)
Change in fair value of contingent consideration payables		–	(446)
Change in fair value of investment property		(1,059)	(4,669)
Equity-settled share-based payment expenses		–	(3,986)
Share of profit of joint ventures		–	399
Finance costs	8(a)	(668)	(377)
<b>Profit before taxation</b>	8	<b>23,391</b>	<b>22,097</b>
Income tax	9	(3,693)	(5,857)
<b>Profit for the period</b>		<b>19,698</b>	<b>16,240</b>
<b>Attributable to:</b>			
Equity shareholders of the Company		15,136	12,157
Non-controlling interests		4,562	4,083
<b>Profit for the period</b>		<b>19,698</b>	<b>16,240</b>
<b>Earnings per share</b>	11		
Basic (HK cents per share)		1.7	1.4
Diluted (HK cents per share)		1.7	1.4

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
<b>Profit for the period</b>	<b>19,698</b>	16,240
<b>Other comprehensive income for the period</b>		
Item that will not be reclassified to profit or loss:		
Change in fair value of financial asset at fair value through other comprehensive income (non-recycling)	–	(1,220)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<b>(21,320)</b>	(702)
<b>Other comprehensive income for the period</b>	<b>(21,320)</b>	(1,922)
<b>Total comprehensive income for the period</b>	<b>(1,622)</b>	14,318
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>(6,184)</b>	10,235
Non-controlling interests	<b>4,562</b>	4,083
<b>Total comprehensive income for the period</b>	<b>(1,622)</b>	14,318

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

		(Unaudited) At 30 September 2022 HK\$'000	(Audited) At 31 March 2022 HK\$'000
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment		41,249	42,871
Investment property	12	198,571	220,108
Goodwill		49,473	49,473
Intangible assets		14,569	17,034
Interests in associates	13	–	–
		<b>303,862</b>	<b>329,486</b>
<b>Current assets</b>			
Inventories		341	902
Trade and other receivables	14	263,224	216,576
Contract assets		93,367	119,660
Tax recoverable		–	1,404
Pledged bank deposit		1,999	1,999
Cash and cash equivalents		144,719	107,423
		<b>503,650</b>	<b>447,964</b>
<b>Current liabilities</b>			
Trade and other payables	15	(145,658)	(106,549)
Contract liabilities		(58,772)	(52,282)
Lease liabilities		(867)	(1,271)
Promissory note payables		(20,470)	(20,172)
Tax payable		(4,329)	(1,641)
		<b>(230,096)</b>	<b>(181,915)</b>
<b>Net current assets</b>		<b>273,554</b>	<b>266,049</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

		(Unaudited) At 30 September 2022 HK\$'000	(Audited) At 31 March 2022 HK\$'000
	Note		
<b>Total assets less current liabilities</b>		<b>577,416</b>	595,535
<b>Non-current liabilities</b>			
Lease liabilities		–	(220)
Promissory note payables		(38,224)	(37,901)
Deferred tax liabilities		(2,295)	(2,694)
		(40,519)	(40,815)
<b>Net assets</b>		<b>536,897</b>	554,720
<b>Capital and reserves</b>			
Share capital	16	21,940	21,940
Reserves		502,853	509,037
<b>Total equity attributable to equity shareholders of the Company</b>		<b>524,793</b>	530,977
Non-controlling interests		12,104	23,743
<b>Total equity</b>		<b>536,897</b>	554,720

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to equity shareholders of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Fair value reserve (non-recycling) HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
<b>For the six months ended</b>									
<b>30 September 2022</b>									
<b>(Unaudited)</b>									
<b>At 1 April 2022</b>	21,940	315,360	1,010	7,050	-	185,617	530,977	23,743	554,720
Profit for the period	-	-	-	-	-	15,136	15,136	4,562	19,698
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	(21,320)	-	-	(21,320)	-	(21,320)
Total comprehensive income for the period	-	-	-	(21,320)	-	15,136	(6,184)	4,562	(1,622)
Interim dividend declared to the non-controlling interests	-	-	-	-	-	-	-	(16,201)	(16,201)
<b>At 30 September 2022</b>	<b>21,940</b>	<b>315,360</b>	<b>1,010</b>	<b>(14,270)</b>	<b>-</b>	<b>200,753</b>	<b>524,793</b>	<b>12,104</b>	<b>536,897</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to equity shareholders of the Company								
	Share capital	Share premium	Share option reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>For the six months ended</b>									
<b>30 September 2021</b>									
<b>(Unaudited)</b>									
<b>At 1 April 2021</b>	17,661	279,161	-	9,087	(64,009)	241,728	483,628	21,537	505,165
Profit for the period	-	-	-	-	-	12,157	12,157	4,083	16,240
Change in fair value of financial asset at fair value through other comprehensive income (non-recycling)	-	-	-	-	(1,220)	-	(1,220)	-	(1,220)
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	(702)	-	-	(702)	-	(702)
Total comprehensive income for the period	-	-	-	(702)	(1,220)	12,157	10,235	4,083	14,318
Issue of new shares upon placing of shares	3,532	27,551	-	-	-	-	31,083	-	31,083
Issue of new shares upon exercise of share options under the share option scheme	747	8,959	(2,976)	-	-	2,976	9,706	-	9,706
Recognition of equity-settled share-based payment expenses	-	-	3,986	-	-	-	3,986	-	3,986
Interim dividend declared to the non-controlling interests	-	-	-	-	-	-	-	(5,587)	(5,587)
<b>At 30 September 2021</b>	21,940	315,671	1,010	8,385	(65,229)	256,861	538,638	20,033	558,671

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
<b>Net cash generated from/(used in) operating activities</b>	<b>55,177</b>	<b>(27,551)</b>
<b>Investing activities</b>		
Payments for acquisition of property, plant and equipment	(185)	(111)
Other cash flows arising from investing activities	17	96
<b>Net cash used in investing activities</b>	<b>(168)</b>	<b>(15)</b>
<b>Financing activities</b>		
Dividends paid to non-controlling interests	(16,201)	(5,587)
Principal paid on lease liabilities	(625)	(758)
Interest paid on lease liabilities	(40)	(86)
Bank overdraft interest	(6)	(2)
Proceeds from issue of new shares upon placing of shares	-	31,083
Proceeds from issue of new shares upon exercise of share options	-	9,706
<b>Net cash (used in)/generated from financing activities</b>	<b>(16,872)</b>	<b>34,356</b>
<b>Net increase in cash and cash equivalents</b>	<b>38,137</b>	<b>6,790</b>
Effect of foreign exchange rate changes	(841)	931
Cash and cash equivalents at the beginning of the period	107,423	106,810
<b>Cash and cash equivalents at the end of the period</b>	<b>144,719</b>	<b>114,531</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 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's registered office address is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is Unit A, 25/F, TG Place, 10 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong. The Company is an investment holding company and its subsidiaries are principally engaged in the businesses of IT application and solution development services, IT infrastructure solutions services, IT secondment services, IT maintenance and support services, and property leasing and e-commerce business.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2022 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 Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The unaudited condensed consolidated financial statements do not include all the information and disclosures required in a complete set of financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The unaudited condensed consolidated financial statements are unaudited, but have been reviewed by the Company's audit committee (the "**Audit Committee**").

## 3. APPLICATION OF AMENDMENTS TO HKFRSs AND HKASs

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

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Costs of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of these amendments to HKFRS in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated financial statements.

## 4. ESTIMATES AND JUDGEMENTS

When preparing this interim report, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal to the estimated results.

The judgements, estimates and assumptions applied in this interim report, including the key sources of estimation uncertainty, were the same as those applied in the Group's annual financial statements for the year ended 31 March 2022.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 5. FAIR VALUE MEASUREMENT

### Financial assets and liabilities measured at fair value

#### *Fair value hierarchy*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, that is, unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs, that is, observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group engages an independent professional valuation firm to perform valuation for its other financial asset, which is categorised into Level 3 of the fair value hierarchy. On 28 February 2022, the Group entered into sale and purchase agreement with one of INAX Technology Limited (the "INAX"), by which the Group agreed to sell, and the buyer agreed to buy entire equity interest in a subsidiary of the Company that holds 15% equity interests in INAX, for a consideration of HK\$4,500,000 in cash and the disposal was completed on 28 February 2022.

#### *Information about Level 3 fair value measurements*

The movement of other financial asset during the reporting period of Level 3 fair value measurements are set out below:

	(Unaudited) At 30 September 2022 HK\$'000	(Audited) At 31 March 2022 HK\$'000
At the beginning of the period/year	–	7,700
Fair value change recognised in other comprehensive income	–	(3,200)
Disposal of financial asset at fair value	–	(4,500)
At the end of the period/year	–	–

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 6. REVENUE AND SEGMENT REPORTING

### (a) Revenue

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

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
IT application and solution development services	37,397	76,434
IT infrastructure solutions services	265,663	185,677
IT secondment services	12,808	10,925
IT maintenance and support services	88,722	85,915
E-commerce business (note)	-	-
	<b>404,590</b>	<b>358,951</b>
Property leasing (note)	-	-
	<b>404,590</b>	<b>358,951</b>

Note: Since the outbreak of novel coronavirus disease 2019 (the "COVID-19") has adversely impacted the worldwide economy, the e-commerce business and property leasing business have yet to commence.

### (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 (that is, the chief operating decision maker ("CODM")), for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

- 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.
- IT infrastructure solutions services: this segment provides IT infrastructure solutions services and sale of IT infrastructure solutions related hardware and software.
- IT secondment services: this segment provides IT secondment services for a fixed period of time pursuant to the secondment service agreements.
- IT maintenance and support services: this segment provides IT maintenance and support services.
- Property leasing and e-commerce business: this segment provides property leasing services and online trading platform services.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 6. 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 CODM monitors the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to the 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, assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, depreciation and amortisation, interest income and interest expenses are presented.

Disaggregate of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 September 2022 and 2021 is set out below:

	Six months ended 30 September 2022 (Unaudited)					
	IT application and solution development services HK\$'000	IT infrastructure solutions HK\$'000	IT secondment services HK\$'000	IT maintenance and support services HK\$'000	Property leasing and e-commerce business HK\$'000	Total HK\$'000
Disaggregated by timing of revenue recognition						
- Point in time	-	265,663	-	48,565	-	314,228
- Over time	37,397	-	12,808	40,157	-	90,362
Revenue from external customers and reportable segment revenue	37,397	265,663	12,808	88,722	-	404,590
Reportable segment gross profit	14,697	36,122	5,307	27,437	-	83,563

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 6. REVENUE AND SEGMENT REPORTING (CONTINUED)

### (b) Segment reporting (Continued)

#### (i) Segment results, assets and liabilities (Continued)

	Six months ended 30 September 2021 (Unaudited)					
	IT application and solution development services HK\$'000	IT infrastructure solutions services HK\$'000	IT secondment services HK\$'000	IT maintenance and support services HK\$'000	Property leasing and e-commerce business HK\$'000	Total HK\$'000
Disaggregated by timing of revenue recognition						
- Point in time	-	185,677	-	47,251	-	232,928
- Over time	76,434	-	10,925	38,664	-	126,023
Revenue from external customers and reportable segment revenue	76,434	185,677	10,925	85,915	-	358,951
Reportable segment gross profit	15,469	28,393	3,390	29,929	-	77,181

#### (ii) Geographic information

All of the Group's revenue from external customers are derived in Hong Kong.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 6. REVENUE AND SEGMENT REPORTING (CONTINUED)

### (b) Segment reporting (Continued)

#### (ii) Geographic information (Continued)

Specified non-current assets

	(Unaudited) At 30 September 2022 HK\$'000	(Audited) At 31 March 2022 HK\$'000
Hong Kong (place of domicile)	105,253	109,336
The People's Republic of China (the "PRC"), excluding Hong Kong	38	42
Malaysia	198,571	220,108
	<b>303,862</b>	<b>329,486</b>

The above information is about the geographical location of the Group's property, plant and equipment, investment property, goodwill, intangible assets and interests in associates (the "Specified non-current assets"). The geographical location of the Specified non-current assets is based on (i) the physical location of the assets, in the case of property, plant and equipment, and investment property and (ii) the location of the operation to which they are allocated, in the case of goodwill, intangible assets and interests in associates.

## 7. OTHER REVENUE AND OTHER NET GAINS

	(Unaudited) Six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Bank interest income	17	96
Income from government subsidies	5,414	–
Marketing income	44	25
Net foreign exchange (loss)/gain	(960)	852
Others	48	20
	<b>4,563</b>	<b>993</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

### (a) Finance costs

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Total interest expense on financial liabilities not at fair value through profit or loss:		
- Interest on bank overdraft	6	2
- Interest on lease liabilities	40	86
Effective interest expense of promissory note payables	622	289
	<hr/>	<hr/>
	668	377

### (b) Staff costs (including directors' remuneration)

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Salaries, wages and other benefits	80,734	65,224
Contributions to defined contribution retirement plans	2,116	2,003
	<hr/>	<hr/>
	82,850	67,227

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 8. PROFIT BEFORE TAXATION (CONTINUED)

### (c) Other items

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Amortisation of intangible assets	2,465	2,465
Depreciation charge:		
– owned property, plant and equipment	1,207	2,364
– right-of-use assets	600	775

## 9. INCOME TAX

The taxation charged to profit or loss represents:

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax	3,693	5,857

- (a) The statutory income tax rate of the Company and its subsidiaries operated in Hong Kong for the six months ended 30 September 2022 and 2021 was 16.5%, except for one subsidiary of the Company which is qualifying corporation under the two-tiered Profits Tax rate regime in Hong Kong. For this subsidiary, the first HK\$2 million of assessable profits is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.
- (b) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (c) A PRC subsidiary of the Group was qualified as "Small Low-profit Enterprise" in Guangdong and subject to a concessionary the PRC Enterprise Income Tax rate. Two Malaysia subsidiaries of the Group subjected to Malaysia Corporate Tax. For the six months ended 30 September 2022 and 2021, the PRC Enterprise Income Tax rate was 25% and the Malaysia Corporate Tax standard rate was 24%.

No provision for the PRC Enterprise Income Tax and Malaysia Corporate Tax have been made as the subsidiaries established in the PRC and Malaysia did not have assessable profits subject to the PRC Enterprise Income Tax and Malaysia Corporate Tax respectively during the six months ended 30 September 2022 and 2021.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 10. DIVIDENDS

The Directors do not recommend the payment of any dividend for the six months ended 30 September 2022 (for the six months ended 30 September 2021: Nil).

## 11. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average numbers of ordinary shares in issue during the period.

	(Unaudited) Six months ended 30 September	
	2022	2021
Profit attributable to equity shareholders of the Company (HK\$)	15,136,000	12,157,000
Weighted average number of ordinary shares in issue	877,590,312	844,564,449
Basic earnings per share (HK cents per share)	1.7	1.4

### (b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company's potentially dilutive ordinary shares comprised of share options.

	(Unaudited) Six months ended 30 September	
	2022	2021
Profit attributable to equity shareholders of the Company (HK\$)	15,136,000	12,157,000
Weighted average number of ordinary shares in issue	877,590,312	844,564,449
Adjustments for share options	–	8,519,550
Weighted average number of ordinary shares for diluted earnings per share	877,590,312	853,083,999
Diluted earnings per share (HK cents per share)	1.7	1.4

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 12. INVESTMENT PROPERTY

	(Unaudited) At 30 September 2022 HK\$'000	(Audited) At 31 March 2022 HK\$'000
<b>At fair value</b>		
At the beginning of the period/year	220,108	231,067
Fair value change	(1,059)	(10,261)
Exchange adjustments	(20,478)	(698)
At the end of the period/year	198,571	220,108

On 2 June 2021 (the acquisition date), 31 March 2022 and 30 September 2022, independent valuations were undertaken by B.I. Appraisals Limited. This firm is independent qualified external valuation firm not related to the Group and has appropriate professional qualifications and recent experience in the valuation of similar properties in the relevant location. The valuations of the property were principally arrived at using income capitalisation approach by taking into account the current rents passing and the reversionary income potential of the property which is a method of valuation whereby vacant units are assumed to be let at their respective market rents as at the valuation date. In the valuation, which falls under Level 3 of fair value hierarchy, the market rentals of all lettable units of the property are assessed and capitalized at market yield expected by investors for this type of the property. There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the period. The Group's policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period in which they occur. The market rentals are assessed by reference to the rentals achieved in the lettable units of the property as well as other lettings of similar properties in the neighbourhood. The market yield which is the capitalisation rate adopted is made by reference to the yields derived from analysing the sales transactions of similar properties in Malaysia and adjusted to take account of the valuation firm's knowledge of the market expectation from property investors to reflect factors specific to the property.

On 30 September 2022, the adopted capitalisation rates in the valuation was 5% and the monthly market rent per square feet ranged from RM7.9 (equivalent to approximately HK\$13.4) to RM16.0 (equivalent to approximately HK\$27.2).

The capitalisation rate and the monthly market rent per square feet are the key parameters in the valuation method of income capitalisation and they involve professional judgement in relation to the adjustments made by the external valuation firm. The fair value measurement is positively correlated to the monthly market rent per square feet and negatively correlated to the capitalisation rate.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 13. INTERESTS IN ASSOCIATES

	(Unaudited) At 30 September 2022 HK\$'000	(Audited) At 31 March 2022 HK\$'000
Carrying amount	-	-

Note: The Group has discontinued the recognition of its share of losses of associates because the share of losses of the associates exceeded the Group's interest in the associates and the Group has no obligation to take up further losses. The amounts of the Group's unrecognized share of losses of associates for the six months ended 30 September 2022 and cumulatively were nil (for the six months ended 30 September 2021: nil) and HK\$431,000 (for the six months ended 30 September 2021: nil), respectively.

The following table contains the particulars of associates, which are unlisted corporate entities whose quoted market price is not available:

Name of associate	Place of incorporation/ registration and operation	Particulars of issued and paid-up capital/ registered share capital	Proportion of ownership interest				Principal activity
			Group's effective interest		Held by the Company		
			30 September 2022	31 March 2022	30 September 2022	31 March 2022	
Bao Cheng Holdings (HK) Limited ("Bao Cheng HK")	Hong Kong	2,000 ordinary shares	25%	25%	-	-	Investment holding
深圳市寶誠生物發展有限公司 ("Bao Cheng PRC")	The PRC	Registered capital RMB30,000,000	20%	20%	-	-	Not yet commenced business

Bao Cheng HK holds 80% interest in Bao Cheng PRC.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 14. TRADE AND OTHER RECEIVABLES

	(Unaudited) At 30 September 2022 HK\$'000	(Audited) At 31 March 2022 HK\$'000
Trade receivables	240,638	190,115
Less: Allowances for doubtful debts	(439)	(307)
	240,199	189,808
Other receivables	274	164
Rental and other deposits	18,167	18,066
Prepayments	4,584	8,538
	263,224	216,576

The ageing analysis of trade receivables, based on the date of billing, is as follows:

	(Unaudited) At 30 September 2022 HK\$'000	(Audited) At 31 March 2022 HK\$'000
Within 1 month	186,166	161,342
1 to 3 months	44,369	17,503
Over 3 months	9,664	10,963
	240,199	189,808

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 15. TRADE AND OTHER PAYABLES

	(Unaudited) At 30 September 2022 HK\$'000	(Audited) At 31 March 2022 HK\$'000
Trade payables	109,019	77,217
Accrued expenses and other payables	23,163	27,936
Dividend payable to non-controlling interests	13,476	1,396
	<b>145,658</b>	<b>106,549</b>

The ageing analysis of trade payables, based on the invoice date, is as follows:

	(Unaudited) At 30 September 2022 HK\$'000	(Audited) At 31 March 2022 HK\$'000
Within 1 month	44,184	34,979
1 to 3 months	53,229	41,991
Over 3 months	11,606	247
	<b>109,019</b>	<b>77,217</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 16. SHARE CAPITAL

	Number of shares	HK\$'000
<b>Authorised</b>		
Ordinary shares of HK\$0.025 each	4,000,000,000	100,000
<b>Issued and fully paid</b>		
At 1 April 2021	706,439,312	17,661
Shares issued upon placing of shares (note (ii))	141,287,000	3,532
Shares issued upon exercise of share options under the share option scheme (note (iii))	29,864,000	747
At 31 March 2022 and 1 April 2022	877,590,312	21,940
At 30 September 2022	877,590,312	21,940

Notes:

- (i) 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.
- (ii) On 20 April 2022, the Company completed the placement of 141,287,000 shares in accordance with the terms and conditions of the placing agreement dated 29 March 2022 at the price of HK\$0.22 per share.
- (iii) For the year ended 31 March 2022, 29,864,000 share options were exercised at a subscription price of HK\$0.325 per share, resulting in the issue of 29,864,000 new shares at par value of HK\$0.025 each for a total cash consideration of approximately HK\$9,705,800. Approximately HK\$8,959,000 representing the difference between the subscription price and the par value was added to share premium. In addition, the fair value of the share options granted during the year was approximately HK\$3,986,000, which was recognised as equity-settled share-based payment expenses. During the year, the share options with fair value of approximately HK\$2,976,000 was exercised and transferred from the share option reserve to retained profits.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 17. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the condensed consolidated financial statements, the Group has entered into the following transactions:

### Key management personnel remuneration

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

	(Unaudited)	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Short-term employee benefits	5,972	6,201
Post-employment benefits	253	51
	6,225	6,252

Total remuneration is included in staff costs (see note 8(b)).

## 18. CONTINGENT LIABILITIES

At 30 September 2022, a performance bond of HK\$10,221,000 (31 March 2022: HK\$10,221,000) was given by a bank in favour of a customer of the Group to protect the customer from the Group's default on its obligation under the contracts. The Board consider it is not probable that a claim will be made against the Group.

## 19. EVENT AFTER THE REPORTING PERIOD

### Settlement of promissory note and issue of new promissory note

Regarding to a building construction project (the "**Property**") and an online-to-offline wholesale trading platform in Malaysia (collectively, the "**Project CKB**") of the Company, the Company had issued a promissory note (the "**Promissory Note**") in the principal amount of HK\$19,377,787.50 to Rainbow Field Investment Limited (the "**Vendor**") in accordance with the terms and conditions of the acquisition agreement on 12 November 2019. The Promissory Note has a term of 36 months from the date of issue and shall bear an interest at the rate of 2% per annum.

As the Promissory Note would fall due on 11 November 2022 pursuant to the terms thereof, the Company has been negotiating with the Vendor on the extension of the maturity date and the delay in repayment under the Promissory Note because the Company would like to maintain cash reserves for other potential projects and business operations of the Company, especially when the operational commencement of the Project CKB was affected and delayed by the outbreak of the COVID-19 pandemic in Malaysia in 2020, 2021 and 2022. In light of the reasons mentioned above, the feedback from the Vendor with the issuance of a new promissory note was positive.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 19. EVENT AFTER THE REPORTING PERIOD (CONTINUED)

### Settlement of promissory note and issue of new promissory note (Continued)

On 10 November 2022, the Company and the Vendor entered into a deed of settlement, pursuant to which, the Company shall issue a new promissory note (the "New Promissory Note") in the principal amount of HK\$20,540,454.75 to the Vendor which represents the total outstanding principal amount and unpaid interest under the Promissory Note, which set off against the outstanding liabilities under the Promissory Note. The New Promissory Note bears an interest of 2% per annum and shall mature on the 36 months from the date of issue, which are the same terms as those of the Promissory Note. The New Promissory Note was issued on 11 November 2022.

## 20. POSSIBLE IMPACT OF AMENDMENTS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Up to the date of issue of these interim financial statements, the HKICPA has issued a number of amendments which are not yet effective for the six months ended 30 September 2022 and which have not been adopted in these interim financial statements. These include the following which may be relevant to the Group.

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

# 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 services; (iii) provision of IT secondment services; (iv) provision of IT maintenance and support services and (v) property leasing and e-commerce business.

## BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 September 2022 ("**Interim 2022**"), the Group recognised a profit attributable to equity shareholders of the Company of approximately HK\$15.1 million as compared to the profit attributable to equity shareholders of the Company of approximately HK\$12.2 million for the six months ended 30 September 2021 ("**Interim 2021**"). As compared to Interim 2021, the increase were primarily attributable to the net effect of: (i) an increase in gross profit by approximately HK\$6.4 million; (ii) an increase in other revenue and other net gains by approximately HK\$3.6 million; (iii) a decrease in change in fair value of contingent consideration payables and change in fair value of investment property by approximately HK\$4.1 million; (iv) an increase in general and administrative expenses by approximately HK\$16.7 million, which was mainly due to the increase in staff cost of approximately HK\$14.4 million and (v) a decrease in equity-settled share-based payment expenses by approximately HK\$4.0 million.

### 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 this segment amounted to approximately HK\$37.4 million, representing approximately 9.2% of the total revenue for Interim 2022. The revenue derived from this segment decreased by approximately 51.1% from approximately HK\$76.4 million for Interim 2021 to approximately HK\$37.4 million for Interim 2022. The significant decrease were primarily due to (i) the significant drop of revenue derived from direct procurement of hardware and software for the Group's large-scale IT projects in Interim 2022 as the procurement services were substantially completed during the year ended 31 March 2021 and (ii) the Group is yet to secure large-scale IT project that would provide significant new stream of income to this segment during Interim 2022.

### Provision of IT infrastructure solutions services

This segment provides IT infrastructure solutions services and sale of IT infrastructure solutions related IT hardware and software. The revenue generated from this segment amounted to approximately HK\$265.7 million, representing approximately 65.7% of the total revenue for Interim 2022. The revenue from this segment increased by approximately 43.1% from approximately HK\$185.7 million for Interim 2021 to approximately HK\$265.7 million for Interim 2022. The significant increase were primarily due to (i) increased demand from the Group's customers in banking and finance sector and (ii) increase in the number of active customers for the Group, as a result of the Group's effort to expand its sales channel and customer portfolio by setting up a new sales team in a subsidiary during Interim 2022.

### Provision of IT secondment services

This segment provides IT secondment services for a fixed period of time pursuant to IT secondment services agreements. The revenue generated from this segment amounted to approximately HK\$12.8 million, representing approximately 3.2% of the total revenue for Interim 2022. The revenue derived from this segment increased by approximately 17.2% from approximately HK\$10.9 million for Interim 2021 to approximately HK\$12.8 million for Interim 2022. The increase were primarily due to (i) the increase in demand for services from major customers in banking and finance sector and (ii) the new IT secondment services contracts awarded to the Group during Interim 2022 was increased when compare with Interim 2021.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Provision of IT maintenance and support services

This segment provides IT maintenance and support services. The revenue generated from this segment amounted to approximately HK\$88.7 million, representing approximately 21.9% of the total revenue for Interim 2022. The revenue derived from this segment increased by approximately 3.3% from approximately HK\$85.9 million for Interim 2021 to approximately HK\$88.7 million for Interim 2022. The increase was primarily due to the increase of new IT maintenance and support services contracts awarded to the Group offset the subsequent completion of some contracts during Interim 2022.

## Property leasing and e-commerce business

On 6 December 2017, ICO IT Properties (Malaysia) Limited, an indirectly wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with various vendors, at total consideration of RM145 million for the acquisition of O2O Limited and its subsidiary, which holds the Project CKB. The acquisition of Project CKB was completed on 2 June 2020. Upon the completion, (i) the companies in the Project CKB becomes indirect wholly-owned subsidiaries of the Company and their financial statements were consolidated into the Group; (ii) the Property was classified as investment property in the consolidated statement of financial position and (iii) the business of Project CKB became the new business segment of the Group.

Due to the outbreak of the COVID-19 has adversely impacted the worldwide economy, the Project CKB has not started its operation during Interim 2022 yet.

## PROSPECTS

The Group continues to face various types of risk and uncertainties which may adversely affect its business, results and financial position. The key risks and uncertainties facing by the Group are detailed under the Report of Directors in the annual report 2021/22 of the Company for the year ended 31 March 2022. 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.

2022 was a volatile year for the global economy. Uncertainties about the COVID-19 remained, on the other hand, major central banks are actively raising interest rates to combat inflation. As for business environment, the weakening of the overall economic outlook and the haze of interest rate hikes has built up corporate borrowing costs and operating pressures.

Taking into consideration the volatile economic and market environment in the future, the Group will continue to capitalize on opportunities by leveraging the Group's competitive strengths and implement the following strategies: (i) maintain and strengthen market position in Hong Kong; (ii) enhance brand recognition and strengthen marketing efforts; (iii) continue to recruit IT talents to support future growth and (iv) assess new business opportunities in a prudent manner in order to maximize returns for shareholders and promote the Group's long-term business growth.

Looking forward, the COVID-19 will be under control and the local economy will gradually resumed. The Group will remain cautiously attentive over the market conditions given the unpredictable environment across the globe, particularly when the COVID-19 remains as a threat to the health and safety of global and local communities. With the well preparation by the management, the Group will continue to achieve sustainable growth and further strengthen its overall competitiveness, create bright future for our stakeholders, as in the past years.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue for Interim 2022 amounted to approximately HK\$404.6 million, representing an increase of approximately HK\$45.6 million or 12.7% as compared to Interim 2021 (Interim 2021: approximately HK\$359.0 million). The increase were mainly attributable to the increase in revenue generated from (i) IT infrastructure solutions services segment; (ii) IT secondment services segment and (iii) IT maintenance and support services segment of approximately HK\$80.0 million, HK\$1.9 million and HK\$2.8 million respectively, offset the decrease in revenue generated from IT application and solution development services segment of approximately HK\$39.0 million.

### Gross profit and gross profit margin

The Group's gross profit for Interim 2022 amounted to approximately HK\$83.6 million, representing an increase of approximately HK\$6.4 million or 8.3% as compared to Interim 2021 (Interim 2021: approximately HK\$77.2 million), while the gross profit margin of the Group slightly decreased to approximately 20.7% for Interim 2022 (Interim 2021: approximately 21.5%). The increase in gross profit of the Group was primarily due to the increase in gross profit generated from provision of (i) IT infrastructure solutions services segment; (ii) IT secondment services segment and (iii) IT maintenance and support services segment, for IT application and solution development services segment, the gross profit decreased in line with the decrease in revenue.

Due to the increase of staff cost, direct cost in hardware and software during Interim 2022, the gross profit margin was decreased in (i) IT infrastructure solutions services segment and (ii) IT maintenance and support services segment. For IT application and solution development services segment, the increase in gross profit margin resulted from the substantial completion of the direct procurement of hardware and software (the Group adopted a competitive pricing strategy and resulted in a lower gross profit margin) for the Group's large scale IT projects during Interim 2021, while the relevant cost in Interim 2022 was decreased significantly. For IT secondment services segment, the gross profit margin was increased in line with the increase in revenue.

### General and administrative expenses

The Group's general and administrative expenses for Interim 2022 amounted to approximately HK\$62.9 million, representing an increase of approximately HK\$16.7 million or 36.1% as compared to Interim 2021 (Interim 2021: approximately HK\$46.2 million). The increase was mainly due to the increase in staff cost of approximately HK\$14.4 million as compared to Interim 2021, which attributed to (i) expansion of the Group's sales team so as to expand its sales channels and (ii) commission paid to sales team which was in line with the increase in revenue of the Group during Interim 2022.

### Change in fair value of investment property and contingent consideration payables

On 2 June 2020, the acquisition of Project CKB was completed. As a result, investment property and contingent consideration payables were recognised for the six months ended 30 September 2020. According to the relevant accounting standards, the investment property and financial liabilities are required to be remeasured at fair value at the end of each reporting period with the remeasurement gain or loss recognised in profit or loss. With reference to the valuation reports prepared by independent professional valuation firms, valuation gain or loss on the investment property and financial liabilities were determined and recognised for Interim 2021 and Interim 2022. Nevertheless, the valuation gains or losses were merely results of accounting treatments and do not have any actual impacts on the results of the operations and cash flows of the Group. For the year ended 31 March 2022, due to the fulfilment of certain condition, the contingent consideration payables were derecognised and the relevant promissory note payable was recognised.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Finance costs

The Group's finance cost for Interim 2022 amounted to approximately HK\$0.67 million, representing an increase of approximately HK\$0.29 million or 77.2% as compared to Interim 2021 (Interim 2021: approximately HK\$0.38 million). The increase was due to the imputed interest expense incurred by the promissory note, which was issued for the year ended 31 March 2022. The finance costs for Interim 2022 and Interim 2021 were mainly comprised of imputed interest expenses arising from amortisation of the liability component in promissory notes in accordance with the relevant accounting standards. Such imputed interest expenses do not have any cash flows impacts to the Group.

## Income tax

The Group's income tax for Interim 2022 amounted to approximately HK\$3.7 million (Interim 2021: approximately HK\$5.9 million), representing a decrease of approximately HK\$2.2 million or 37% as compared to Interim 2021. The decrease was primarily due to the net profit of the operating units decreased during Interim 2022.

## Profit for the period

The Group's net profit for Interim 2022 amounted to approximately HK\$19.7 million, representing an increase of approximately HK\$3.5 million or 21.3% as compared to Interim 2021 (Interim 2021: approximately HK\$16.2 million). As compared to Interim 2021, the increase were mainly attributable to the net effect of: (i) an increase in gross profit by approximately HK\$6.4 million; (ii) a decrease in change in fair value of contingent consideration payables and change in fair value of investment property by approximately HK\$4.1 million; (iii) an increase in general and administrative expenses by approximately HK\$16.7 million, which was mainly due to the increase in staff cost of approximately HK\$14.4 million and (iv) an increase in other revenue and other net gains by approximately HK\$3.6 million.

## USE OF PROCEEDS

On 27 August 2020, the Company entered into the placing agreement with the placing agent, in relation to placing of 839,000,000 placing shares, at the placing price of HK\$0.028 per placing share to independent investors under general mandate. On 24 September 2020, the Company completed the placing of 839,000,000 placing shares. The net proceeds from the placing amounted to approximately HK\$22.8 million ("**2020 Placing Shares Proceeds**").

On 29 March 2021, the Company entered into the placing agreement with the placing agent, in relation to placing of 141,287,000 placing shares, at the placing price of HK\$0.220 per placing share to independent investors under general mandate. On 20 April 2021, the Company completed the placing of 141,287,000 placing shares. The net proceeds from the placing amounted to approximately HK\$30.5 million ("**2021 Placing Shares Proceeds**").

# MANAGEMENT DISCUSSION AND ANALYSIS

The below table sets out the intended use of net proceeds for 2020 Placing Shares Proceeds and 2021 Placing Shares Proceeds as at 30 September 2022:

	Intended use of net proceeds HK\$ million	Utilised of the net proceeds up to 30 September 2022 HK\$ million	Unutilised of the net proceeds up to 30 September 2022 HK\$ million	Expected timeline for the application of the unutilised of the net proceeds
<b>2020 Placing Shares Proceeds</b>				
Settlement of the consideration	18.0	18.0	–	On or before
Further business development	4.8	0.4	4.4	31 December 2023
<b>Total</b>	<b>22.8</b>	<b>18.4</b>	<b>4.4</b>	
<b>2021 Placing Shares Proceeds</b>				
Development of the Algorithmic Trading Solution Platform	30.5	1.8	28.7	On or before 31 December 2024

## INVESTMENT PROPERTY

On 2 June 2020, the acquisition of Project CKB was completed, the Property was classified as investment property in the consolidated statement of financial position. The details are as follows:

Location	Attributable interest of the Group	Current use	Lease term	Gross floor area
Chow Kit Baru, Malaysia	100%	Commercial	Long term	Approximately 49,702 square feet

As at 30 September 2022, with reference to the valuation report prepared by an independent professional valuation firm, the carrying amount of the investment property is approximately HK\$198.6 million, representing approximately 25% of the Group's total asset.

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2022, the total shareholders' funds of the Group amounted to approximately HK\$524.8 million (as at 31 March 2022: approximately HK\$531.0 million). Current assets were approximately HK\$503.7 million (as at 31 March 2022: approximately HK\$448.0 million), mainly comprised of cash and cash equivalents of approximately HK\$144.7 million (as at 31 March 2022: approximately HK\$107.4 million), trade and other receivables and contract assets of approximately HK\$356.6 million (as at 31 March 2022: approximately HK\$336.2 million). Current liabilities mainly comprised of trade and other payables and contract liabilities of approximately HK\$204.4 million (as at 31 March 2022: approximately HK\$158.8 million).

The changes in current assets and current liabilities of the Group were primarily due to:

- (i) the increase in cash and cash equivalent arising from (i) the increase in cash inflow from IT application and solution development services segment, IT maintenance and support services segment and IT infrastructure solutions services segment and (ii) the increase in other revenue and other net gains, which was mainly come from the government subsidy;
- (ii) the increase in the aggregate amount of trade and other receivables, and contract assets arising from services rendered in yet pending for settlement in accordance with the payment schedule set out in contracts with customers and
- (iii) the increase in the aggregate amount of trade and other payables, and contract liabilities arising from increased purchases made by the Group but not yet due for settlement.

As at 30 September 2022, the Group has unutilised bank facilities amounted to approximately HK\$86.8 million (as at 31 March 2022: approximately HK\$86.8 million). The net asset value per share attributable to equity shareholders of the Company was approximately HK\$0.6 (as at 31 March 2022: approximately HK\$0.6). The Group's gearing ratio, which is calculated on the basis of promissory note payables over total equity, was approximately 11% (as at 31 March 2022: approximately 10%). The Group's liquidity ratio, which is calculated on the basis of current assets over current liabilities, was approximately 2.2 times (as at 31 March 2022: approximately 2.5 times).

## CAPITAL STRUCTURE

The share capital of the Company only comprises of ordinary shares.

As at 30 September 2022 and 31 March 2022, the Company's issued share capital was approximately HK\$21,940,000. The number of its issued ordinary shares was 877,590,312 shares of HK\$0.025 each.

During Interim 2022 and Interim 2021, the Group's capital is mainly derived from long term debt (being promissory notes), net proceeds from placing and retained profits of the Group. When managing its capital, the Group's primary objectives are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity owners, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. During Interim 2022 and Interim 2021, the promissory notes issued by the Company carry interest of 2% per annum.

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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Scheme**") after the shareholders of the Company approved the Scheme at the annual general meeting of the Company held on 12 August 2016. Under the terms of the Scheme, the Board may, at its discretion, grant options to eligible participants to subscribe shares of the Company.

On 9 July 2021 (the "**Date of Grant**"), pursuant to the Scheme, the Company has granted 40,000,000 share options to certain employees and advisers of the Group. The exercise price of the share options granted and the closing price of share on the Date of Grant were HK\$0.325 per share, for the validity period of 2 years from the Date of Grant.

Movements relating to the share options granted by the Company under the Scheme during Interim 2022 were as follows:

Capacity	Balance as at 1 April 2022	Number of share options				Balance as at 30 September 2022
		Granted	Exercised	Lapsed	Cancelled	
Employees	2,416,000	-	-	-	-	2,416,000
Advisers (Note)	7,720,000	-	-	-	-	7,720,000
<b>Total</b>	<b>10,136,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,136,000</b>

During the Interim 2022, no option of the Company was granted, exercised, cancelled or lapsed. Further details of these share options are provided in the circular of the Company dated 26 August 2021.

# MANAGEMENT DISCUSSION AND ANALYSIS

Note: The identity, background and major contributions have made and continue to support and make by each adviser is shown as below:

Name of grantee	Background of the grantee	Major contributions and efforts to the Company
Choi Ka Wai	The grantee is working in a financial services company, with an extensive financial network in Hong Kong and the PRC.	<ol style="list-style-type: none"> <li>1. introducing professional fintech experts to the Company for developing fintech project and exploring potential fintech project; and</li> <li>2. introducing strategic investors and potential investors interested in information technology industry.</li> </ol>
Chan Chun Kit	The grantee is working in a financial services company, with an extensive financial network in Hong Kong and the PRC.	<ol style="list-style-type: none"> <li>1. introducing professional fintech experts to the Company for developing fintech project and exploring potential fintech project; and</li> <li>2. introducing strategic investors and potential investors interested in information technology industry.</li> </ol>
Wong Hin Shek	The grantee is working in a financial services company, with an extensive financial network in Hong Kong and the PRC.	<ol style="list-style-type: none"> <li>1. introducing professional fintech experts to the Company for developing fintech project opportunities;</li> <li>2. introducing strategic investors and potential investors interested in fintech industry; and</li> <li>3. assisting the Company in planning and developing fintech business.</li> </ol>
Chan Yin Wah	The grantee is working in a financial services company, with an extensive financial network in Hong Kong and the PRC.	<ol style="list-style-type: none"> <li>1. assisting the Company in planning and developing fintech business including but not limited to researching fintech information; and</li> <li>2. arranging the connection between accounting and audit experts and the Company.</li> </ol>
So King Wei Wallace	The grantee is working in a financial services company, with an extensive financial network in Hong Kong and the PRC.	<ol style="list-style-type: none"> <li>1. assisting the Company in planning and developing fintech business including but not limited to researching fintech information.</li> </ol>

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group is exploring investment opportunities from time to time that would benefit the shareholders of the Company as a whole. Should there is any concrete plan for material investments and capital assets, the Company shall publish announcement(s) as and when appropriate according to the Listing Rules.

# MANAGEMENT DISCUSSION AND ANALYSIS

## SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

### Significant investments held as at 30 September 2022

#### *Project CKB*

On 6 December 2017, ICO IT Properties (Malaysia) Limited entered into a sale and purchase agreement with various vendors, at total consideration of RM145 million for the acquisition of Project CKB. The acquisition was completed on 2 June 2020. Upon the completion, (i) the companies in the Project CKB become indirect wholly-owned subsidiaries of the Company and their financial statements were consolidated into the Group; (ii) the Property was classified as investment property in the consolidated statement of financial position and (iii) the business of Project CKB became the new business segment of the Group.

Project CKB provides property leasing services and online trading platform services. By acquiring Project CKB, it is expected that the Group shall be able to diversify its revenue sources by receiving stable rental income from the physical stores as well as service income from the online trading platform. During Interim 2022 and Interim 2021, Project CKB was not yet started its operation and no dividend income was received from this investment.

The Group assessed the fair value of the Property by the independent valuation firm, B.I. Appraisals Limited (the "**Valuation Firm**"). The Valuation Firm is an independent professional valuation firm and possesses professional qualifications with recent experience in the valuation of similar properties in vicinity. According to the valuation report, in Interim 2022, there was drop in the monthly market rent per square foot adopted in the valuation under income capitalisation approach, the fair value of the Property is approximately RM117.9 million (approximately HK\$220.1 million) as at 31 March 2022 and decrease to RM117.3 million (approximately HK\$198.6 million) as at 30 September 2022.

The valuation of the Property was principally arrived at using income capitalisation approach, by taking into account the current rents passing and the reversionary income potential of the Property, which is a method of valuation whereby vacant units are assumed to be let at their respective market rents as at the valuation date. The valuation result is cross-checked by direct comparison method.

In the valuation, which falls under Level 3 of fair value hierarchy, the market rentals of all lettable units of the Property are assessed and capitalised at market yield expected by investors for this type of the Property. The market rentals are assessed by reference to the rentals achieved in the lettable units of the Property as well as other lettings of similar properties in the neighbourhood. The market yield which is the capitalisation rate adopted is made by reference to the yields derived from analysing the sales transactions of similar properties in Malaysia and adjusted to take account of the Valuation Firm's knowledge of the market expectation from property investors to reflect factors specific to the Property.

On 30 September 2022, the adopted capitalisation rates in the valuation was 5% and the monthly market rent per square feet ranged from RM7.9 (equivalent to approximately HK\$13.4) to RM16.0 (equivalent to approximately HK\$27.2).

The capitalisation rate and the monthly market rent per square feet are the key parameters in the valuation method of income capitalisation and they involve professional judgement in relation to the adjustments made by the external valuation firm. The fair value measurement is positively correlated to the monthly market rent per square feet and negatively correlated to the capitalisation rate.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other investments held as at 30 September 2022

The interests in associates represented 25% equity interest in Bao Cheng Holdings (HK) Limited, which in turn holds 80% equity interest in 深圳市寶誠生物發展有限公司. Bao Cheng Holdings (HK) Limited and 深圳市寶誠生物發展有限公司 (the "**Bao Cheng Group**") are limited companies incorporated in Hong Kong and the PRC established by the Group and other parties pursuant to an agreement. Bao Cheng Group aims at IT services in vaccine production business. During the year ended 31 March 2022, Bao Cheng Group faced uncertainty on the commercial roll out of its new products and turnaround of its business in view of the COVID-19 together with the change in the Group's strategy. The Group has discontinued the recognition of its share of losses of associates because the share of losses of the associates exceeded the Group's interest in the associates and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of associates for the current year and cumulatively were HK\$431,000 (Interim 2021: nil) and HK\$431,000 (Interim 2021: nil), respectively. As at 30 September 2022, the carrying amount of Bao Cheng Group is nil (31 March 2022: nil). During Interim 2022, no dividend was received from this investment.

Saved as disclosed above, the Group did not acquire or hold any other significant investments as at 30 September 2022. In the future, the Group will continue to identify suitable targets for investment that (i) are profitable and have growth potentials that would contribute to the future earnings of the Group and (ii) provide collaboration and cross-selling opportunities that would be mutually beneficial for both the Group and the targets.

## Capital assets held as at 30 September 2022

The Group acquired an office premises and a carpark space in Kwun Tong during the year ended 31 March 2016 at a consideration of approximately HK\$45.3 million. The Group still held the office premises and the carpark space during Interim 2022 and up to the date of this interim report. Apart from the above, the Group did not acquire or hold any other significant capital assets during Interim 2022 and Interim 2021.

## CONTINGENT LIABILITIES

For Interim 2022, performance bonds amounted to approximately HK\$10.2 million (as at 31 March 2022: approximately HK\$10.2 million) were issued by a bank to customers of the Group to protect the customers from the Group's default on its obligation under the contracts. If customers demand compensation for the Group's default under the performance bond, the Group will be liable to reimburse the bank up to the full amount of the performance bond.

Apart from the above, the Group had no other material contingent liabilities as at 30 September 2022 and up to the date of this interim report.

## EXPOSURE TO EXCHANGE RATE FLUCTUATION

For Interim 2022 and Interim 2021, the Group faced foreign exchange exposure after the completion of acquisition of Project CKB, as such, the Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CHARGE ON THE GROUP'S ASSETS

As at 30 September 2022, except for (i) the pledged bank deposit of approximately HK\$2.0 million (as at 31 March 2022: approximately HK\$2.0 million) in relation to guarantee issued by a bank in respect of the Group's IT application and solution development services segment and (ii) property, plant and equipment with net book value of approximately HK\$36.1 million (as at 31 March 2022: approximately HK\$36.9 million) pledged to a bank for facilities of HK\$52.0 million (as at 31 March 2022: HK\$52.0 million) used to finance the working capital of the Group, there was no other charges on the Group's assets.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group employed a total of 278 full-time employees (as at 30 September 2021: 276). The staff costs, including Directors' emoluments, of the Group were approximately HK\$82.9 million for Interim 2022 (Interim 2021: approximately HK\$67.2 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to 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

The Board recognised 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 to the Company's stakeholders as a whole.

For Interim 2022 to the best knowledge of the Board, the Company has adopted and complied with all code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules, save for the deviations as explained below:

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During Interim 2022, Mr. Lee Cheong Yuen ("**Mr. Lee**") had acted as the chairman of the Board (the "**Chairman**"). The position of the chief executive officer is vacant.

Mr. Lee, who acts as the Chairman and an executive Director, is responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The roles of the respective executive Directors and senior management, who are in charge of different functions, complement the role of the chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership enabling the Group to operate efficiently. The Company understands the importance to comply with the code provision C.2.1 of the CG Code and will continue to consider the feasibility to nominate appropriate person for the role of chief executive officer.

The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the regulatory requirements from time to time, and meet the expectation of shareholders and other stakeholders of the Company.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. In response to specific enquiry by the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2022.

## UPDATED INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Save for the changes to Directors' information as set out below, since the Company's annual report for the year ended 31 March 2022, there has been no material change in the information of the Directors that is required to be disclosed under Rule 13.51B(1) of the Listing Rules:

- (i) Mr. Leong Yeng Kit has retired as an executive Director with effect from 31 August 2022;
- (ii) Mr. Chiu King Yan has retired as an independent non-executive Director with effect from 31 August 2022;
- (iii) Mr. Pun Shing Cheung has been appointed as executive Director with effect from 31 August 2022; and
- (iv) Mr. Chan Kai Wing has been appointed as independent non-executive Director with effect from 31 August 2022.

For details of the above retirement and appointment, please refer to the announcement published by the Company on 31 August 2022.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During Interim 2022 and 2021, 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 substantial shareholders of the Company nor any of their respective associates (as defined in the 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 Interim 2022 and 2021.

## EVENT AFTER THE REPORTING PERIOD

### Settlement of promissory note and issue of new promissory note

Regarding to the Property and the Project CKB of the Company, the Company had issued the Promissory Note in the principal amount of HK\$19,377,787.50 to the Vendor in accordance with the terms and conditions of the acquisition agreement on 12 November 2019. The Promissory Note has a term of 36 months from the date of issue and shall bear an interest at the rate of 2% per annum.

As the Promissory Note would fall due on 11 November 2022 pursuant to the terms thereof, the Company has been negotiating with the Vendor on the extension of the maturity date and the delay in repayment under the Promissory Note because the Company would like to maintain cash reserves for other potential projects and business operations of the Company, especially when the operational commencement of the Project CKB was affected and delayed by the outbreak of the COVID-19 pandemic in Malaysia in 2020, 2021 and 2022. In light of the reasons mentioned above, the feedback from the Vendor with the issuance of a new promissory note was positive.

## OTHER INFORMATION

On 10 November 2022, the Company and the Vendor entered into a deed of settlement, pursuant to which, the Company shall issue the New Promissory Note in the principal amount of HK\$20,540,454.75 to the Vendor which represents the total outstanding principal amount and unpaid interest under the Promissory Note, which set off against the outstanding liabilities under the Promissory Note. The New Promissory Note bears an interest of 2% per annum and shall become mature on the 36 months from the date of issue, which are the same terms as those of the Promissory Note. The New Promissory Note was issued on 11 November 2022.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 30 September 2022, the interests or short positions of the Directors and chief executives of the Company in the shares of the Company (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 (the "SFO") (Chapter 571 of the laws of Hong Kong)), 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 Model Code were as follows:

Name	Capacity and nature of interests	Number of Shares held	Approximate percentage to the issued capital of the Company
Mr. Lee Cheong Yuen ("Mr. Lee") (Notes 2 and 3)	Beneficial owner; interest of a controlled corporation; interests in concert party agreement	173,094,800 (L) (Note 1)	19.72%
Dr. Choi Chiu Fai Stanley ("Dr. Choi") (Note 4)	Beneficial owner	143,072,000 (L) (Note 1)	16.30%

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, Mr. Lee, Mr. Chan Kwok Pui ("Mr. Chan") and Mr. Tam Kwok Wah ("Mr. Tam"), entered into a confirmation deed to acknowledge and confirm, among other things, that they are parties acting in concert in respect of each of the members of the Group. As such, Mr. Lee, Mr. Chan and Mr. Tam and their respective wholly-owned companies, namely BIZ Cloud Limited, Cloud Gear Limited, Friends True Limited and Imagine Cloud Limited, held in aggregate of 173,094,800 Shares (representing approximately 19.72% interest in the issued share capital of the Company) and they together were considered as the substantial shareholders of the Company as defined under the Listing Rules.
3. Shares in which Mr. Lee is interested consist of (i) 179,200 Shares held by Mr. Lee; (ii) 117,000,000 Shares held by BIZ Cloud Limited, a company wholly-owned by Mr. Lee; and (iii) 55,915,600 Shares in which Mr. Lee is deemed to be interested as a result of being a party acting-in-concert with Mr. Chan and Mr. Tam.
4. Shares in which Dr. Choi is interested consist of 143,072,000 Shares held by Dr. Choi.
5. As at 30 September 2022, the Company's issued ordinary share capital was HK\$21,939,758 divided into 877,590,312 Shares of HK\$0.025 each.

## OTHER INFORMATION

Save as disclosed above, as at 30 September 2022, none of the Directors or 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 Model Code.

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the six months ended 30 September 2022 and 2021 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES OF THE COMPANY

As at 30 September 2022, the following parties (other than the Director and chief executive of the Company disclosed under the section "Directors' and Chief Executive's Interests in Shares" above) 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 to the issued capital of the Company
Biz Cloud Limited (Notes 2 and 3)	Beneficial owner; interests in concert party agreement	171,715,600 (L) (Note 1)	19.57%
Ms. Saetia Ladda (Note 4)	Interests of spouse	173,094,800 (L) (Note 1)	19.72%
Cloud Gear Limited (Notes 2 and 5)	Beneficial owner; interests in concert party agreement	171,715,600 (L) (Note 1)	19.57%
Friends True Limited (Notes 2 and 6)	Beneficial owner; interests in concert party agreement	171,715,600 (L) (Note 1)	19.57%
Mr. Chan (Notes 2 and 7)	Beneficial owner; interests of a controlled corporation; interests in concert party agreement	173,094,800 (L) (Note 1)	19.72%
Imagine Cloud Limited (Notes 2 and 8)	Beneficial owner; interests in concert party agreement	171,715,600 (L) (Note 1)	19.57%
Mr. Tam (Notes 2 and 9)	Interests of a controlled corporation; interests in concert party agreement	173,094,800 (L) (Note 1)	19.72%

## OTHER INFORMATION

### 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, Mr. Lee, Mr. Chan and Mr. Tam, entered into a confirmation deed to acknowledge and confirm, among other things, that they are parties acting in concert in respect of each of the members of the Group. As such, Mr. Lee, Mr. Chan and Mr. Tam and their respective wholly-owned companies, namely BIZ Cloud Limited, Cloud Gear Limited, Friends True Limited and Imagine Cloud Limited, held in aggregate of 173,094,800 Shares (representing approximately 19.72% interest in the issued share capital of the Company) and they together were considered as the substantial shareholders of the Company as defined under the Listing Rules.
3. Shares in which Biz Cloud Limited is interested consists of (i) 117,000,000 Shares beneficially held by it; and (ii) 54,715,600 Shares in which it is deemed or taken to have been interested as a result of being a party acting-in-concert with Cloud Gear Limited, Friends True Limited and Imagine Cloud Limited. Biz Cloud Limited is a company directly wholly-owned by Mr. Lee.
4. Ms. Saetia Ladda is the spouse of Mr. Lee. Ms. Saetia Ladda is deemed to be interested in the same number of Shares in which Mr. Lee is interested.
5. Shares in which Cloud Gear Limited is interested consists of (i) 11,000,000 Shares beneficially held by it; and (ii) 160,715,600 Shares in which it is deemed or taken to have been interested as a result of being a party acting-in-concert with Biz Cloud Limited, Friends True Limited and Imagine Cloud Limited. Cloud Gear Limited is a company directly wholly-owned by Mr. Chan.
6. Shares in which Friends True Limited is interested consists of (i) 31,215,600 Shares beneficially held by it; and (ii) 140,500,000 Shares in which it is deemed or taken to have been interested as a result of being a party acting-in-concert with Biz Cloud Limited, Cloud Gear Limited and Imagine Cloud Limited. Friends True Limited is a company directly wholly-owned by Mr. Chan.
7. Shares in which Mr. Chan is interested consist of (i) 1,200,000 Shares beneficially held by him; (ii) 42,215,600 Shares held by Cloud Gear Limited and Friends True Limited, companies directly wholly-owned by him; and (iii) 129,679,200 Shares in which Mr. Chan is deemed or taken to have been interested as a result of being a party acting-in-concert with Mr. Lee and Mr. Tam.
8. Shares in which Imagine Cloud Limited is interested consists of (i) 12,500,000 Shares beneficially held by it; and (ii) 159,215,600 Shares in which it is deemed or taken to have been interested as a result of being a party acting-in-concert with Biz Cloud Limited, Cloud Gear Limited and Friends True Limited. Imagine Cloud Limited is a company directly wholly-owned by Mr. Tam.
9. Shares in which Mr. Tam is interested consist of (i) 12,500,000 Shares held by Imagine Cloud Limited, a company directly wholly-owned by him; and (iii) 160,594,800 Shares in which Mr. Tam is deemed or taken to have been interested as a result of being a party acting-in-concert with Mr. Lee and Mr. Chan.
10. As at 30 September 2022, the Company's issued ordinary share capital was HK\$21,939,758 divided into 877,590,312 Shares of HK\$0.025 each.

Save as disclosed above, the Directors were not aware of any other persons, other than the Directors or chief executive of the Company who held an interest or short positions in the Shares and underlying Shares of the Company as at 30 September 2022 which required to be recorded pursuant to Section 336 of SFO.

### AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established the Audit Committee with written terms of reference in compliance with the 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 one non-executive Director namely Dr. Choi Chiu Fai Stanley, two independent non-executive Directors namely Mr. Chan Kai Wing and Ms. Yvonne Low Win Kum. The chairman of the Audit Committee is Mr. Chan Kai Wing, who has appropriate professional qualifications and experience in accounting matters.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2022 and was of the opinion that such statements had been prepared in compliance with the applicable accounting standards and the Listing Rules.

By order of the Board

**ICO Group Limited**

**Lee Cheong Yuen**

*Chairman and Executive Director*

Hong Kong, 29 November 2022

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Lee Cheong Yuen (*Chairman*)  
Mr. Pun Shing Cheung (appointed on 31 August 2022)  
Mr. Leong Yeng Kit (retired on 31 August 2022)

### Non-executive Director

Dr. Choi Chiu Fai Stanley (*Vice Chairman*)

### Independent Non-executive Directors

The Hon. Ip Kwok Him, *G.B.M., G.B.S., JP.*  
Ms. Yvonne Low Win Kum  
Mr. Chan Kai Wing (appointed on 31 August 2022)  
Mr. Chiu King Yan (retired on 31 August 2022)

## COMPANY SECRETARY

Mr. Pun Shing Cheung, *CPA*

## AUTHORISED REPRESENTATIVES

Mr. Lee Cheon Yuen (appointed on 31 August 2022)  
Mr. Pun Shing Cheung  
Mr. Leong Yeng Kit (retired on 31 August 2022)

## AUDIT COMMITTEE

Mr. Chan Kai Wing (*Chairman*)  
Dr. Choi Chiu Fai Stanley  
Ms. Yvonne Low Win Kum

## REMUNERATION COMMITTEE

Ms. Yvonne Low Win Kum (*Chairlady*)  
Mr. Lee Cheong Yuen  
The Hon. Ip Kwok Him, *G.B.M., G.B.S., JP.*

## NOMINATION COMMITTEE

Mr. Lee Cheong Yuen (*Chairman*)  
The Hon. Ip Kwok Him, *G.B.M., G.B.S., JP.*  
Ms. Yvonne Low Win Kum

## AUDITORS

BDO Limited  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor in accordance with the*  
*Accounting and Financial Reporting Council Ordinance*  
25 Floor, Wing On Centre, 111 Connaught Road Central  
Hong Kong

## REGISTERED OFFICE

Windward 3, Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit A, 25/F  
TG Place  
10 Shing Yip Street, Kwun Tong  
Kowloon, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited  
Suites 3301-04, 33/F  
Two Chinachem Exchange Square  
338 King's Road, North Point  
Hong Kong

## PRINCIPAL BANKERS

Citibank N.A.  
DBS Bank (Hong Kong) Limited  
Shanghai Commercial Bank Limited  
Standard Chartered Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited

## COMPANY WEBSITE

[www.1460.hk](http://www.1460.hk)

## STOCK CODE

1460