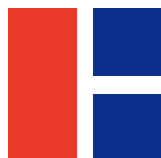


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ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1460)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		
	2023	2022	Change in %
Revenue (<i>HK\$'000</i>)	877,322	712,450	+23%
Gross profit (<i>HK\$'000</i>)	173,741	131,028	+33%
Profit for the year (<i>HK\$'000</i>)	22,727	18,914	+20%
Earnings per share – Basic (<i>HK cents per share</i>)	1.2	0.9	+33%

The Board does not recommend the payment of any final dividend for the year ended 31 March 2023.

* For identification purposes only

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of ICO Group Limited (the “**Company**”) is presenting the audited results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2023, together with comparative audited figures for the preceding financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue	4	877,322	712,450
Cost of sales		(703,581)	(581,422)
Gross profit		173,741	131,028
Other revenue	5	8,302	1,334
Other gain, net	6	1,413	2,385
General and administrative expenses		(128,812)	(96,370)
(Impairment)/reversal of impairment loss on trade receivables and contract assets		(795)	16
Gain on disposal of interests in joint ventures		–	4,539
Change in fair value of investment property		(21,840)	(10,261)
Change in fair value of contingent consideration payables		–	(215)
Equity-settled share-based payment expenses		–	(3,986)
Share of loss of associates		–	(2,177)
Share of profit of joint ventures		–	509
Finance costs	7(a)	(1,485)	(954)
Profit before taxation	7	30,524	25,848
Income tax	8	(7,797)	(6,934)
Profit for the year		22,727	18,914
Attributable to:			
Shareholders of the Company		10,966	8,122
Non-controlling interests		11,761	10,792
Profit for the year		22,727	18,914
Earnings per share	10		
Basic (HK cents per share)		1.2	0.9
Diluted (HK cents per share)		1.2	0.9

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 March 2023

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	22,727	18,914
Other comprehensive income for the year		
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)	–	(3,200)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>(10,953)</u>	<u>(2,037)</u>
Total comprehensive income for the year	<u>11,774</u>	<u>13,677</u>
Attributable to:		
Shareholders of the Company	13	2,885
Non-controlling interests	<u>11,761</u>	<u>10,792</u>
Total comprehensive income for the year	<u>11,774</u>	<u>13,677</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		39,635	42,871
Investment property		187,859	220,108
Goodwill		49,473	49,473
Intangible assets		12,104	17,034
Interests in associates		–	–
		<u>289,071</u>	<u>329,486</u>
Current assets			
Inventories		15,192	902
Trade and other receivables	11	310,880	216,576
Contract assets		31,076	119,660
Tax recoverable		–	1,404
Pledged bank deposit		1,999	1,999
Cash and cash equivalents		216,920	107,423
		<u>576,067</u>	<u>447,964</u>
Current liabilities			
Trade and other payables	12	(190,181)	(106,549)
Contract liabilities		(62,275)	(52,282)
Lease liabilities		(221)	(1,271)
Promissory note payables		–	(20,172)
Tax payable		(2,917)	(1,641)
		<u>(255,594)</u>	<u>(181,915)</u>
Net current assets		<u>320,473</u>	<u>266,049</u>
Total assets less current liabilities		<u>609,544</u>	<u>595,535</u>

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current liabilities		
Lease liabilities	–	(220)
Promissory note payables	(57,354)	(37,901)
Deferred tax liabilities	(1,896)	(2,694)
	<u>(59,250)</u>	<u>(40,815)</u>
Net assets	<u>550,294</u>	<u>554,720</u>
Capital and reserves		
Share capital	21,940	21,940
Reserves	509,050	509,037
	<u>530,990</u>	<u>530,977</u>
Total equity attributable to equity shareholders of the Company	530,990	530,977
Non-controlling interests	19,304	23,743
	<u>550,294</u>	<u>554,720</u>
Total equity	<u>550,294</u>	<u>554,720</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, No. 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.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

The Hong Kong Institute of Certified Public Accountants has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	Annual Improvements to HKFRSs 2018–2020
Amendments to HKFRS 3	Reference to Conceptual Framework

The application of these amendments to HKFRSs in the current year has had no material effect on the amounts reported and/or disclosures set out in these consolidated financial statements.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the Group and its interests in associates.

Items included in the consolidated financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). These financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the Company’s functional and the Group’s presentation currency.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the investment property is stated at its fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. 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, and property leasing. The amount of each significant category of revenue is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
IT application and solution development services	71,563	128,574
IT infrastructure solutions services	613,725	413,603
IT secondment services	27,065	22,911
IT maintenance and support services	<u>164,969</u>	<u>147,362</u>
	877,322	712,450
Property leasing (<i>note</i>)	<u>–</u>	<u>–</u>
	<u><u>877,322</u></u>	<u><u>712,450</u></u>

Revenue from major customer who has individually contributed 10% or more of the total revenue of the Group during the year are disclosed as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer 1	<u><u>N/A</u></u>	<u><u>87,645</u></u>

There is no significant revenue that is more than 10% of the Group's revenue derived from specific external customers for the year ended 31 March 2023. For the year ended 31 March 2022, the customer above is from IT application and solution development services segment, IT infrastructure solutions services segment, and IT maintenance and support services segment.

Note: The property leasing business has 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 resources 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 solution 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: this segment provides property leasing services.

(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 bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit. No inter-segment sales have occurred during the year. The Group's other revenue 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 amortisation, interest income and interest expense is 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 resources allocation and assessment of segment performance for the years ended 31 March 2023 and 2022 is set out below.

	Year ended 31 March 2023					
	IT application and solution development services <i>HK\$'000</i>	IT infrastructure solutions services <i>HK\$'000</i>	IT secondment services <i>HK\$'000</i>	IT maintenance and support services <i>HK\$'000</i>	Property leasing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition						
– Point in time	-	613,725	-	79,791	-	693,516
– Over time	71,563	-	27,065	85,178	-	183,806
Revenue from external customers and reportable segment revenue	<u>71,563</u>	<u>613,725</u>	<u>27,065</u>	<u>164,969</u>	<u>-</u>	<u>877,322</u>
Reportable segment gross profit	<u>16,705</u>	<u>87,376</u>	<u>10,234</u>	<u>59,426</u>	<u>-</u>	<u>173,741</u>
	Year ended 31 March 2022					
	IT application and solution development services <i>HK\$'000</i>	IT infrastructure solutions services <i>HK\$'000</i>	IT secondment services <i>HK\$'000</i>	IT maintenance and support services <i>HK\$'000</i>	Property leasing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition						
– Point in time	-	413,603	-	72,573	-	486,176
– Over time	128,574	-	22,911	74,789	-	226,274
Revenue from external customers and reportable segment revenue	<u>128,574</u>	<u>413,603</u>	<u>22,911</u>	<u>147,362</u>	<u>-</u>	<u>712,450</u>
Reportable segment gross profit	<u>22,142</u>	<u>55,978</u>	<u>7,663</u>	<u>45,245</u>	<u>-</u>	<u>131,028</u>

(ii) *Geographic information*

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

Non-current assets

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong (place of domicile)	101,174	109,336
The PRC, excluding Hong Kong	38	42
Malaysia	187,859	220,108
	<u>289,071</u>	<u>329,486</u>

The geographical location of the non-current assets is based on the physical location of the asset in the case of property, plant and equipment and investment property, and on the location of the operation to which they are allocated in the case of goodwill and intangible assets.

5. OTHER REVENUE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank interest income*	1,834	144
Income from government subsidies [#]	5,856	–
Marketing income	525	330
Others	87	860
	<u>8,302</u>	<u>1,334</u>

* Interest income on financial assets not at fair value through profit or loss.

[#] During the year ended 31 March 2023, the income from government subsidies represented a one-off subsidy under Employment Support Scheme launched by the Government of Hong Kong Special Administrative Region (“**HKSAR**”).

6. OTHER GAIN, NET

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Gain on renewal of promissory note	2,136	–
Net foreign exchange (loss)/gain	(723)	2,385
	<u>1,413</u>	<u>2,385</u>

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Total interest expense on financial liabilities not at fair value through profit or loss:		
– Interest on bank overdraft	10	1
– Interest on lease liabilities	58	144
Effective interest expense of promissory note payables	<u>1,417</u>	<u>809</u>
	<u><u>1,485</u></u>	<u><u>954</u></u>

(b) Staff costs (including directors' emoluments)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Salaries, wages and other benefits	155,304	131,936
Contributions to defined contribution retirement plan	<u>4,940</u>	<u>4,085</u>
	<u><u>160,244</u></u>	<u><u>136,021</u></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. The MPF scheme is a defined contribution retirement plan administered by independent trustees. 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. Contributions to the plan vest immediately.

The Group contributes to defined contribution retirement plans which are available for eligible employees in Malaysia. As required by the Employees Provident Fund Act 1991 of Malaysia, the Group makes contributions to the federal statutory body, Employees Provident Fund (“EPF”), which manages the compulsory savings plan and retirement planning for employees in Malaysia. Contributions to each of EPF by the Group and employees are calculated at certain percentages of employees’ monthly salaries stipulated by the relevant government authorities. The obligation of the Group with respect to EPF is to make the specified contributions which are recognised as an expense in profit or loss when the services are rendered by the employees.

The assets of the MPF scheme are held separately from those of the Group in an independently administered fund while EPF is state-managed.

There are no forfeited contributions for EPF and the MPF scheme as the contributions are fully vested with the employees upon payment to the plans.

(c) **Other items**

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cost of hardware and software sold	651,167	513,648
Amortisation of intangible assets	4,930	4,931
Depreciation charge		
– owned property, plant and equipment	860	1,121
– right-of-use assets	2,765	2,935
Auditors' remuneration		
– audit services	950	950
– other services	150	150
	<u>651,167</u>	<u>513,648</u>

8. INCOME TAX

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	8,628	8,075
Over-provision from prior year	(33)	(81)
	<u>8,595</u>	<u>7,994</u>
Deferred tax	<u>(798)</u>	<u>(1,060)</u>
	<u>7,797</u>	<u>6,934</u>

- (i) The provision for Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the years ended 31 March 2023 and 2022, except for one subsidiary of the Group which is a 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%. The provision for Hong Kong Profits Tax for this subsidiary was calculated on the same basis in 2022.

The provision for Hong Kong Profits Tax for the years ended 31 March 2023 and 2022 has taken into account a reduction granted by the Government of HKSAR of 100% of the tax payable for the year of assessment 2022–23 subject to a maximum reduction of HK\$6,000 for each business (2022: a maximum reduction of HK\$10,000 was granted for the year of assessment 2021–22).

- (ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (iii) A PRC subsidiary of the Group was qualified as “Small Low-profit Enterprise” in Guangdong and subjected to a concessionary the PRC Enterprise Income Tax rate. A Malaysia subsidiary of the Group is subjected to Malaysia Corporate Tax standard rate is 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 years ended 31 March 2023 and 2022.

9. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 March 2023 (2022: nil).

10. 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 year.

	2023	2022
Profit attributable to equity shareholders of the Company (HK\$)	<u>10,966,000</u>	<u>8,122,000</u>
Weighted average number of ordinary shares in issue	<u>877,590,312</u>	<u>861,032,139</u>
Basic earnings per share (HK cents per share)	<u>1.2</u>	<u>0.9</u>

(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.

	2023	2022
Profit attributable to equity shareholders of the Company (HK\$)	<u>10,966,000</u>	<u>8,122,000</u>
Weighted average number of ordinary shares in issue	<u>877,590,312</u>	<u>861,032,139</u>
Adjustments for share options	<u>–</u>	<u>2,668,913</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>877,590,312</u>	<u>863,701,052</u>
Diluted earnings per share (HK cents per share)	<u>1.2</u>	<u>0.9</u>

Diluted earnings per share are same as the basic earnings per share as the exercise price of share options is higher than the fair value of the stock price during the year ended 31 March 2023.

11. TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	282,743	190,115
Less: impairment loss	<u>(1,127)</u>	<u>(307)</u>
	281,616	189,808
Other receivables	2,112	164
Rental and other deposits	12,560	18,066
Prepayments	<u>14,592</u>	<u>8,538</u>
	<u>310,880</u>	<u>216,576</u>

Trade receivables are due within 30 days from the date of billing.

As of the end of the reporting period, the ageing analysis of trade receivables, based on the due date, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	214,071	161,342
1 to 3 months	26,529	17,503
Over 3 months	<u>41,016</u>	<u>10,963</u>
	<u>281,616</u>	<u>189,808</u>

12. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	138,960	77,217
Accrued expenses and other payables	45,095	27,936
Dividend payable to non-controlling interests	<u>6,126</u>	<u>1,396</u>
	<u>190,181</u>	<u>106,549</u>

As of the end of the reporting period, the ageing analysis of trade payables, based on the due date, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	120,220	34,979
1 to 3 months	17,003	41,991
Over 3 months	<u>1,737</u>	<u>247</u>
	<u>138,960</u>	<u>77,217</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the financial information of the Group contained in the consolidated financial statements (together with the notes thereto) reproduced in the annual results announcement for the year ended 31 March 2023 (“**FY2023**”). The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards. The following discussions on the synopsis of historical results do not represent any prediction as to the future business operations of the Group.

SUMMARY

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

For FY2023, the revenue of the Group was approximately HK\$877.3 million, representing an increase of approximately HK\$164.9 million or 23% as compared to the year ended 31 March 2022 (“**FY2022**”). The increase was primarily attributable to the significant increase in revenue derived from the IT infrastructure solutions services segment. For FY2023, the Group recorded profit before taxation of approximately HK\$30.5 million (2022: approximately HK\$25.8 million), profit before interests, tax, depreciation and amortisation of approximately HK\$40.6 million (2022: approximately HK\$35.8 million) and profit attributable to equity shareholders of the Company of approximately HK\$11.0 million (2022: approximately HK\$8.1 million).

BUSINESS REVIEW AND OUTLOOK

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\$71.5 million, representing approximately 8% of the total revenue for FY2023. The revenue derived from this segment decreased by approximately 44% from approximately HK\$128.6 million for FY2022 to approximately HK\$71.5 million for FY2023. 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 FY2023 as the procurement services were substantially completed during FY2022 and (ii) the Group is yet to secure large-scale IT project that would provide significant new stream of income to this segment during FY2023.

Provision of IT infrastructure solutions services

This segment provides IT infrastructure solutions services and sale of IT infrastructure solutions related hardware and software. The revenue generated from this segment amounted to approximately HK\$613.7 million, representing approximately 70% of the total revenue for FY2023. The revenue derived from this segment increased by approximately 48% from approximately HK\$413.6 million for FY2022 to approximately HK\$613.7 million for FY2023. The significant increase were primarily due to (i) increased demand from the Group's customers in banking, finance and public services sectors 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 FY2023.

Provision of IT secondment services

This segment provides IT secondment services for a fixed period of time pursuant to the IT secondment services agreements. The revenue generated from this segment amounted to approximately HK\$27.1 million, representing approximately 3% of the total revenue for FY2023. The revenue derived from this segment increased by approximately 18% from approximately HK\$22.9 million for FY2022 to approximately HK\$27.1 million for FY2023. The increase were primarily due to (i) the increase in demand for services from the major customers in banking and finance sector and (ii) the revenue of new IT secondment services contracts awarded to the Group during FY2023.

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\$165.0 million, representing approximately 19% of the total revenue for FY2023. The revenue derived from this segment increased by approximately 12% from approximately HK\$147.4 million for FY2022 to approximately HK\$165.0 million for FY2023. 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 FY2023.

Property leasing

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 a total consideration of RM145 million for the acquisition of O2O Limited and its subsidiary, which holds a building construction project (the "**Property**") and an online-to-offline wholesale trading platform in Malaysia (collectively referred to as the "**Project CKB**"). The acquisition was completed on 2 June 2020. Upon the completion, (i) the companies in the Project CKB became 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 segment of the Group.

Due to the outbreak of novel coronavirus disease 2019 (“COVID-19”) in the past financial years, the operational commencement of Project CKB had been delayed and has yet to start the business in FY2023. As the business environment in Malaysia is now returning to normal gradually, the management will start the first phase of marketing and promotion work in second half of year 2023. It is expected that Project CKB will contribute stable rental income from the physical stores to the Group in the foreseeable future.

OUTLOOK AND FUTURE PROSPECTS

FY2023 was a successful year for the Group, due to the increase in revenue derived from (i) IT infrastructure solutions services segment; (ii) IT secondment services segment and (iii) IT maintenance and support services segment, the Group recorded net profit of approximately HK\$22.7 million and hit a record high revenue of approximately HK\$877.3 million for FY2023.

Looking forward, it is expected that business environment will be challenging as uncertainty, complexity and high competitiveness are likely to remain. With the flexible and disciplined management, continuous operation efficiency enhancement, the Group is confident that we are on the right track towards sustainable and profitable growth in the coming financial years.

With a strong financial position and positive cash flow expected from the Group’s operations, and the constant efforts of all our staff and the support of our stakeholders, the Group is committed to create long term value for its shareholders.

FINANCIAL REVIEW

Revenue

The Group’s revenue for FY2023 amounted to approximately HK\$877.3 million, representing an increase by approximately 23% from approximately HK\$712.5 million for FY2022 to approximately HK\$877.3 million for FY2023. The increase were mainly attributable to the increase in revenue generated from (i) the IT infrastructure solutions services segment; (ii) the IT secondment services segment and (iii) the IT maintenance and support services segment of approximately HK\$200.1 million, approximately HK\$4.2 million and approximately HK\$17.6 million respectively. This offset by the decrease in revenue generated from the IT application and solution development services segment of approximately HK\$57.1 million.

Gross profit and gross profit margin

The Group's gross profit for FY2023 amounted to approximately HK\$173.7 million, representing an increase by approximately 33% from approximately HK\$131.0 million for FY2022 to approximately HK\$173.7 million for FY2023, while the gross profit margin of the Group increased from approximately 18% for FY2022 to approximately 20% for FY2023. For (i) IT infrastructure solutions services segment; (ii) IT secondment services segment and (iii) IT maintenance and support services segment, the gross profits increased in line with the increase in revenue in these segments. For IT application and solution development services segment, the gross profit decreased in line with the decrease in revenue.

Due to the effective control of staff costs and resources utilisation during FY2023, the gross profit margin was increased in (i) IT application and solution development services segment; (ii) IT infrastructure solutions services segment; (iii) IT secondment services segment and (iv) IT maintenance and support services segment.

General and administrative expenses

The Group's general and administrative expenses for FY2023 amounted to approximately HK\$128.8 million (2022: approximately HK\$96.4 million), representing an increase by approximately HK\$32.4 million or 34% as compared to FY2022. The increase was mainly due to the increase in staff costs of approximately HK\$24.2 million as compared to FY2022, which attributed to (i) expansion of the Group's sales teams so as to expand its sales channels and (ii) commission paid to sales teams which was in line with the increase in revenue of the Group during FY2023.

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 during the year ended 31 March 2021. According to the relevant accounting standards, these 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 valuation reports prepared by the independent professional valuation firm, the valuation gain or loss on these investment property and financial liabilities were determined and recognised for FY2023 and FY2022. Nevertheless, the valuation gain or loss were merely results of accounting treatments and do not have any actual impact on the operations and cash flow of the Group. During FY2022, due to the fulfilment of certain condition, the contingent consideration payables were derecognised and the relevant promissory note payable was recognised.

Finance costs

The Group's finance costs for FY2023 amounted to approximately HK\$1.5 million (2022: approximately HK\$1.0 million), representing an increase of approximately HK\$0.5 million as compared to FY2022. The finance costs for FY2023 and FY2022 were mainly comprised of imputed interest expenses arising from amortisation of promissory notes in accordance with the relevant accounting standards. Such imputed interest expenses do not have any actual impact on the operation result and cash flow of the Group.

Income tax

The Group's income tax for FY2023 amounted to approximately HK\$7.8 million (2022: approximately HK\$6.9 million), representing an increase of approximately HK\$0.9 million as compared to FY2022. The increase was primarily due to the net profit of the operating units increased during FY2023.

Profit for the year

The Group recorded a net profit of approximately HK\$22.7 million for FY2023 (2022: approximately HK\$18.9 million), representing an increase of approximately HK\$3.8 million or approximately 20% as compared to FY2022. The increase were primarily due to the combined effect of (i) the increase in gross profit of approximately HK\$42.7 million as compared to FY2022; (ii) the increase in aggregate loss in fair value of investment property and contingent consideration payables by approximately HK\$11.4 million and (iii) the increase in general and administrative expenses by approximately HK\$32.4 million, which was mainly due to the increase in staff costs of approximately HK\$24.2 million.

NON-FULFILLMENT OF THE PERFORMANCE GUARANTEE

On 6 December 2017, ICO IT Properties (Malaysia) Limited, a wholly-owned subsidiary of the Company (the "**Purchaser**"), has entered into the conditional sale and purchase agreement (the "**Acquisition Agreement**") with Rainbow Field Investment Limited (the "**Vendor**") and Mr. Teoh Teng Guan, Mr. Tan Yun Harn and Mr. Lau Chuen Yien Calvin (together as the "**Guarantors**"), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the sale shares and the sale loan of the entire issued capital of O2O Limited, at a consideration of RM145 million, which would be satisfied by a combination of cash, the issue of convertible bonds and promissory notes.

On 2 June 2020, the Group completed its acquisition of O2O Limited and its subsidiary. Pursuant to the Acquisition Agreement, the Vendor guarantees to the Purchaser that for a period of eighteen months from the completion date (the "**Performance Guarantee Period**"), the total gross rental net of taxes of Malaysia (including Goods and Services Tax) received in full by Nexus Primo Sdn. Bhd. (the wholly-owned subsidiary of O2O Limited) generated by the leases entered into for Project CKB shall reach the sum of not less than RM10.15 million (the "**Performance Guarantee**").

Due to the outbreak of COVID-19, the operational commencement and its related leasing activities of Project CKB had been delayed, and no rental income had been generated as at the date on 2 December 2021. Accordingly, the Performance Guarantee for the Performance Guarantee Period was not fulfilled by the Vendor. As such, the parties to the Acquisition Agreement agreed that the payment condition (K) shall lapse, and the final payment would be waived and the promissory note in the principal amount of RM10,150,000 will not be issued to the Vendor during FY2022.

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**”).

The below table sets out the intended use of net proceeds for 2020 Placing Shares Proceeds and 2021 Placing Shares Proceeds as at 31 March 2023:

	Intended use of net proceeds <i>HK\$ million</i>	Utilised of the net proceeds up to 31 March 2023 <i>HK\$ million</i>	Unutilised of the net proceeds up to 31 March 2023 <i>HK\$ million</i>	Expected timeline for the application of the unutilised proceeds
2020 Placing Shares Proceeds				
Settlement of the consideration	18.0	18.0	–	On or before 31 December
Further business development	4.8	0.4	4.4	2023
Total	<u>22.8</u>	<u>18.4</u>	<u>4.4</u>	
2021 Placing Shares Proceeds				
Development of the Algorithmic Trading Solution Platform	<u>30.5</u>	<u>7.7</u>	<u>22.8</u>	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 investment property of the Group as at 31 March 2023 is as follows:

Location	Attributable interest of the Group	Current use	Lease term	Gross floor area
Lot 445, 446, 447 and 448 Section 46, Jalan Chow Kit, Kuala Lumpur, Malaysia	100%	Commercial	Long term	approximately 49,702 square foot

As at 31 March 2023, with reference to the valuation report prepared by an independent professional valuation firm, the carrying amount of the investment property is approximately HK\$187.9 million, representing approximately 22% of the Group's total asset.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2023, the shareholders' funds of the Group amounted to approximately HK\$531.0 million (2022: approximately HK\$531.0 million). Current assets were approximately HK\$576.1 million (2022: approximately HK\$448.0 million), mainly comprised of cash and cash equivalents of approximately HK\$216.9 million (2022: approximately HK\$107.4 million), trade and other receivables and contract assets of approximately HK\$342.0 million (2022: approximately HK\$336.2 million). Current liabilities were approximately HK\$255.6 million (2022: approximately HK\$181.9 million), mainly comprised of trade and other payables and contract liabilities of approximately HK\$252.5 million (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 infrastructure solutions services segment and IT maintenance and support services segment and (ii) the increase in other revenue, which were mainly come from the government subsidy and bank interest income;
- (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 payable, and contract liabilities arising from increased purchases made by the Group but not yet due for settlement.

As at 31 March 2023, the unutilised banking facilities of the Group amounted to approximately HK\$94.8 million (2022: approximately HK\$86.8 million). The net asset value per share attributable to equity shareholders of the Company was approximately HK\$0.6 (2022: approximately HK\$0.6). The Group's gearing ratio, expressed as a percentage of promissory note payables over total equity, was approximately 10% (2022: approximately 10%). The liquidity ratio of the Group, determined as a ratio of current assets over current liabilities, was approximately 2.3 times (2022: approximately 2.5 times).

CAPITAL STRUCTURE

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

As at 31 March 2023 and 31 March 2022, the Company's issued share capitals were approximately HK\$21,940,000. The numbers of its issued ordinary shares was 877,590,312 of HK\$0.025 each.

During FY2023 and FY2022, the Group's capital is mainly derived from promissory notes 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 going concern, so that it can continue to provide returns for the equity owners, benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. 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.

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 during FY2023 were as follows:

Capacity	As at 1 April 2022	Number of share options				As at 31 March 2023
		Granted	Exercised	Lapsed	Cancelled	
Employees	2,416,000	-	-	-	-	2,416,000
Advisers	7,720,000	-	-	-	-	7,720,000
Total	<u>10,136,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,136,000</u>

During FY2023, none of these shares options have lapsed nor have been cancelled. Further details of these share options are provided in the circular of the Company dated 26 August 2021.

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"> introducing professional fintech experts to the Company for developing fintech project and exploring potential fintech project; and introducing strategic investors and potential investors interested in information technology industry.
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"> introducing professional fintech experts to the Company for developing fintech project and exploring potential fintech project; and introducing strategic investors and potential investors interested in information technology industry.
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"> introducing professional fintech experts to the Company for developing fintech project opportunities; introducing strategic investors and potential investors interested in fintech industry; and assisting the Company in planning and developing fintech business.

Name of grantee	Background of the grantee	Major contributions and efforts to the Company
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"> 1. assisting the Company in planning and developing fintech business including but not limited to researching fintech information; and 2. arranging the connection between accounting and audit experts and the Company.
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"> 1. assisting the Company in planning and developing fintech business including but not limited to researching fintech information.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group from time to time is exploring investment opportunities that would benefit the shareholders of the Company as a whole. Except for those disclosed elsewhere in this annual results announcement, the Group does not have any concrete plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During FY2023 and up to the date of this annual results announcement, the Group did not enter into any material acquisitions or disposals of subsidiaries and affiliated companies.

SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

Significant investments held as at 31 March 2023

Project CKB

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 a 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 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 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 FY2023 and FY2022, Project CKB was not yet started its operation and no dividend income was received.

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 FY2023, 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 approximately RM105.5 million (approximately HK\$187.9 million) as at 31 March 2023.

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 neighborhood. The market yield which is the capitalisation rate adopted is made by reference to the yields derived from analysing other lettings of similar properties in the neighborhood 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.

The adopted capitalisation rate in the valuation was 5.0%, and the monthly market rent per square foot ranged from approximately RM8.8 (equivalent to approximately HK\$15.5) to approximately RM17.8 (equivalent to approximately HK\$31.6). The capitalisation rate and the monthly market rent per square foot are the key parameters in the valuation method of income capitalisation and they involve professional judgment in relation to the adjustments made by the Valuation Firm. The fair value measurement is positively correlated to the monthly market rent per square foot and negatively correlated to the capitalisation rate. Taking into account the change in fair value of investment property, the Group considered that the change in fair value of investment property decreased approximately HK\$21.8 million is appropriate.

Other investments held as at 31 March 2023

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 (together the “**Bao Cheng Group**”) of the Group. Bao Cheng Holdings (HK) Limited and 深圳市寶誠生物發展有限公司 (“**Bao Cheng PRC**”) 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 FY2022, Bao Cheng PRC 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 management of Bao Cheng Group started the deregistration process of Bao Cheng PRC, and finally deregistered on 14 January 2022. The amounts of the Group’s unrecognised share of losses of Bao Cheng Group for the current year and cumulatively were nil (2022: approximately HK\$431,000) and HK\$431,000 (2022: approximately HK\$431,000), respectively. As at 31 March 2023, the carrying amount of Bao Cheng Group is nil (2022: nil).

Saved as disclosed above, the Group did not acquire or hold any other significant investments during FY2023 and FY2022. 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 or (ii) provide collaboration and cross-selling opportunities that would be mutually beneficial for both the Group and the targets.

Capital assets held as at 31 March 2023

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. During FY2023, the Group still held the office premises and the carpark space and up to the date of this annual results announcement. As at 31 March 2023, according to a valuation report issued by an independent professional valuation firm, the fair value of the office premises and the carpark space is approximately HK\$48.3 million (2022: approximately HK\$50.0 million).

Saved as disclosed above, the Group did not acquire or hold any other significant capital assets during FY2023 and FY2022.

CONTINGENT LIABILITIES

As at 31 March 2023, the performance bonds amounted to approximately HK\$10.2 million (2022: approximately HK\$10.2 million) were issued by a bank to customers of the Group, in order to protect the customers from the Group’s default on its obligation under the contracts. If the customers demand compensation for the Group’s default under the performance bonds, the Group will be liable to reimburse the bank up to the full amount of the performance bonds.

Saved as disclosed above, the Group had no other material contingent liabilities during FY2023 and FY2022.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

For FY2023 and FY2022, besides the limited currency exchange rate fluctuation risks encountered before, the Group faced more foreign exchange exposure after the acquisition completion of Project CKB. Hence, the Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

CHARGE ON THE GROUP'S ASSETS

As at 31 March 2023, except for (i) the pledged bank deposit of approximately HK\$2.0 million (2022: approximately HK\$2.0 million) in relation to guarantees issued by a bank in respect of the Group's IT application and solution development services segment and (ii) the property, plant and equipment with net book value of approximately HK\$35.3 million (2022: approximately HK\$36.9 million) pledged to a bank for facilities of HK\$60.0 million (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 31 March 2023, the Group employed a total of 284 full-time employees (2022: 264). The employee remuneration (including directors' emoluments) of the Group was approximately HK\$160.2 million for FY2023 (2022: approximately HK\$136.0 million). The Group determined the remuneration packages of all employees (including the directors) with reference to individual's performance, qualifications, experience, competence as well as market salary scale.

OTHER INFORMATION

Corporate Governance Practices

The Directors of the Company 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 the Company's stakeholders as a whole.

The Board has adopted and complied with the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Board 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.

The Board is pleased to report compliance with the code provisions of the CG Code for the year ended 31 March 2023, except where otherwise stated.

Pursuant to 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.

The Chairman 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 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.

Pursuant to code provision C.1.6 of the CG Code, the independent non-executive Directors and other non-executive Directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and to gain and develop a balanced understanding of the views of shareholders. In the annual general meeting of the Company held on 31 August 2022 (“**2022 AGM**”), one retired executive Director and one retired independent non-executive Director were unable to attend due to their other business engagements.

However, there were two independent non-executive Directors presented at the annual general meeting to enable the Board to gain and develop a balanced understanding of the views of shareholders of the Company.

Change of Directors

A summary of change of Directors of the Company from 1 April 2022 up to the date of this annual results announcement:

- (a) Mr. Leong Yeng Kit has retired as an executive Director with effect from the conclusion of the 2022 AGM;
- (b) Mr. Chiu King Yan has retired as an independent non-executive Director with effect from the conclusion of the 2022 AGM;
- (c) Mr. Pun Shing Cheung has been appointed as the executive Director with effect from the conclusion of the 2022 AGM; and
- (d) Mr. Chan Kai Wing has been appointed as an independent non-executive Director, a member and chairman of audit committee of the Company (the “**Audit Committee**”) with effect from the conclusion of the 2022 AGM.

Directors’ Securities Transactions

The Company has adopted a code for securities transactions by directors of the Company (the “**Code of Conduct**”) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry with all the Directors, all of them confirmed that they have complied with the required standard set out in the Model Code and the Code of Conduct regarding securities transactions by the Directors during the year ended 31 March 2023.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the years ended 31 March 2023 and 2022.

Directors’ Interests in Competing Interests

During the years ended 31 March 2023 and 2022, to the best knowledge of the Directors, none of the Directors and their respective associates was considered to have any interest in any businesses that competes with or is likely to compete with the businesses of the Group.

Event After the Reporting Period

There is no significant event after the reporting period of the Group up to the date of this annual results announcement.

Audit Committee and Review of Annual Results

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

As at the date of this annual results announcement, the Audit Committee currently comprises one non-executive Director, namely Dr. Choi Chiu Fai Stanley and two independent non-executive Directors namely, Ms. Yvonne Low Win Kum and Mr. Chan Kai Wing. The chairman of the Audit Committee is Mr. Chan Kai Wing, who has appropriate professional qualifications and experience in accounting matters.

The audited consolidated financial statements of the Group for the year ended 31 March 2023 have been reviewed by the Audit Committee, which was of the opinion that the consolidated financial statements have been prepared in compliance with the applicable accounting standards and Listing Rules.

SCOPE OF WORK OF BDO LIMITED ON THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2023 as set out in this annual results announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited, on this annual results announcement.

PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF THE ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.1460.hk) respectively. The annual report of the Company for the year ended 31 March 2023 containing all the information required by the Listing Rules will be despatched to the Company's shareholders and published on the above websites in due course.

ANNUAL GENERAL MEETING

The notice of the annual general meeting of 2023 of the shareholders of the Company will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

By order of the Board
ICO Group Limited
Lee Cheong Yuen
Chairman and Executive Director

Hong Kong, 29 June 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Lee Cheong Yuen and Mr. Pun Shing Cheung; the non-executive Director of the Company is Dr. Choi Chiu Fai Stanley; and the independent non-executive Directors of the Company are The Hon. Ip Kwok Him, G.B.M., G.B.S., JP., Ms. Yvonne Low Win Kum and Mr. Chan Kai Wing.