



ICO Group Limited

揚科集團有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1460

2024/25
INTERIM REPORT

* For identification purpose only

CONTENTS

Condensed Consolidated Statement of Profit or Loss	2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	8
Notes to the Unaudited Condensed Consolidated Financial Statements	9
Management Discussion and Analysis	23
Other Information	32
Corporate Information	38



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 2024, together with the comparative figures for the last corresponding period, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2024

	Notes	(Unaudited)	
		Six months ended 30 September	
		2024	2023
		HK\$'000	HK\$'000
Revenue	5	504,064	517,490
Cost of sales		(399,482)	(422,829)
Gross profit		104,582	94,661
Other revenue and other net gains	6	6,014	1,924
General and administrative expenses		(81,863)	(70,060)
Reversal of/(provision for) impairment losses on trade receivables and contract assets		1,025	(165)
Change in fair value of investment property	11	3,449	(681)
Finance costs	7(a)	(1,020)	(922)
Profit before taxation	7	32,187	24,757
Income tax	8	(4,196)	(4,417)
Profit for the period		27,991	20,340
Attributable to:			
Equity shareholders of the Company		22,015	14,256
Non-controlling interests		5,976	6,084
Profit for the period		27,991	20,340
Earnings per share	10		
Basic (HK cents per share)		2.5	1.6
Diluted (HK cents per share)		2.5	1.6

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Profit for the period	27,991	20,340
Other comprehensive income for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	22,136	(11,289)
Total comprehensive income for the period	50,127	9,051
Attributable to:		
Equity shareholders of the Company	44,151	2,967
Non-controlling interests	5,976	6,084
Total comprehensive income for the period	50,127	9,051

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

		(Unaudited) At 30 September 2024 HK\$'000	(Audited) At 31 March 2024 HK\$'000
Non-current assets			
Property, plant and equipment		42,049	43,100
Investment property	11	200,488	174,958
Goodwill		49,473	49,473
Intangible assets		4,838	7,257
Interests in associate	12	–	–
		296,848	274,788
Current assets			
Inventories		1,134	1,346
Trade and other receivables	13	311,498	363,306
Contract assets		50,389	6,445
Financial assets at fair value through profit or loss	14	30,516	–
Pledged bank deposit		1,999	1,999
Time deposit with original maturities over three months		101,000	156,000
Cash and cash equivalents		167,163	150,622
		663,699	679,718
Current liabilities			
Trade and other payables	15	(232,122)	(260,611)
Contract liabilities		(58,631)	(60,155)
Lease liabilities		(1,845)	(1,625)
Promissory note payables		(39,548)	(39,212)
Tax payable		(7,018)	(4,577)
		(339,164)	(366,180)
Net current assets		324,535	313,538
Total assets less current liabilities		621,383	588,326

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

		(Unaudited) At 30 September 2024 HK\$'000	(Audited) At 31 March 2024 HK\$'000
Non-current liabilities			
Lease liabilities		(1,127)	(1,819)
Promissory note payables		(20,455)	(19,889)
Deferred tax liabilities		(981)	(1,380)
		(22,563)	(23,088)
Net assets		598,820	565,238
Capital and reserves			
Share capital	16	21,940	21,940
Reserves		551,139	515,764
Total equity attributable to equity shareholders of the Company		573,079	537,704
Non-controlling interests		25,741	27,534
Total equity		598,820	565,238

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to equity shareholders of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Exchange reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		

For the six months ended 30 September 2024
(Unaudited)

At 1 April 2024	21,940	315,360	(13,880)	214,284	537,704	27,534	565,238
Profit for the period	-	-	-	22,015	22,015	5,976	27,991
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	22,136	-	22,136	-	22,136
Total comprehensive income for the period	-	-	22,136	22,015	44,151	5,976	50,127
Dividend approved in respect of previous year (note 9)	-	-	-	(8,776)	(8,776)	-	(8,776)
Interim dividend declared to the non-controlling interests	-	-	-	-	-	(7,769)	(7,769)
At 30 September 2024	21,940	315,360	8,256	227,523	573,079	25,741	598,820

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to equity shareholders of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Share option reserve	Exchange reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
For the six months ended 30 September 2023								
(Unaudited)								
At 1 April 2023	21,940	315,360	1,010	(3,903)	196,583	530,990	19,304	550,294
Profit for the period	-	-	-	-	14,256	14,256	6,084	20,340
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	-	(11,289)	-	(11,289)	-	(11,289)
Total comprehensive income for the period	-	-	-	(11,289)	14,256	2,967	6,084	9,051
Interim dividend declared to the non-controlling interests	-	-	-	-	-	-	(8,074)	(8,074)
At 30 September 2023	21,940	315,360	1,010	(15,192)	210,839	533,957	17,314	551,271

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Net cash generated from operating activities	3,636	31,162
Investing activities		
Payments for acquisition of property, plant and equipment	(1,046)	(3,927)
Withdrawal of time deposit with original maturities over three months	55,000	-
Purchase of financial assets at fair value through profit or loss	(29,909)	-
Other cash flows arising from investing activities	4,476	2,925
Net cash generated from/(used in) investing activities	28,521	(1,002)
Financing activities		
Dividends paid to equity shareholders of the Company	(8,777)	-
Dividends paid to non-controlling interests	(5,939)	(8,074)
Principal paid on lease liabilities	(840)	(664)
Interest paid on lease liabilities	(73)	(55)
Bank overdraft interest	(46)	(2)
Net cash used in financing activities	(15,675)	(8,795)
Net increase in cash and cash equivalents	16,482	21,365
Effect of foreign exchange rate changes	59	330
Cash and cash equivalents at the beginning of the period	150,622	216,920
Cash and cash equivalents at the end of the period	167,163	238,615

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2024 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 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The unaudited condensed consolidated financial statements for the six months ended 30 September 2024 have not been audited by the Company's independent auditors, but have been reviewed by the audit committee of the Company (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 HKAS 1	Presentation of financial statements: Classification of liabilities as current or non-current
Amendments to HKAS 1	Presentation of financial statements: Non-current liabilities with covenants
Amendments to HKFRS 16	Leases: Lease liability in a sale and leaseback
Amendments to HKAS 7	Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

The application of these amendments to HKFRSs and HKASs in the current interim period has 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 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provision of (i) IT application and solution development services; (ii) IT infrastructure solutions services; (iii) IT secondment services; (iv) IT maintenance and support services and (v) property leasing. The amount of each significant category of revenue is as follows:

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
IT application and solution development services	31,280	46,441
IT infrastructure solutions services	373,405	391,980
IT secondment services	15,974	11,725
IT maintenance and support services	83,344	67,344
	504,003	517,490
Revenue from other sources:		
Property leasing	61	-
	504,064	517,490

(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: this segment provides property leasing services.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. 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. 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 2024 and 2023 is set out below:

	Six months ended 30 September 2024 (Unaudited)					Total HK\$'000
	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 HK\$'000	
Revenue from contracts with customers within the scope of HKFRS 15						
Disaggregated by timing of revenue recognition						
– Point in time	–	373,405	–	29,774	–	403,179
– Over time	31,280	–	15,974	53,570	–	100,824
	31,280	373,405	15,974	83,344	–	504,003
Revenue from other sources	–	–	–	–	61	61
Revenue from external customers and reportable segment revenue	31,280	373,405	15,974	83,344	61	504,064
Reportable segment gross profit	8,337	54,050	6,736	35,398	61	104,582

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

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

	Six months ended 30 September 2023 (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 HK\$'000	Total HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15						
Disaggregated by timing of revenue recognition						
– Point in time	-	391,980	-	23,911	-	415,891
– Over time	46,441	-	11,725	43,433	-	101,599
Revenue from external customers and reportable segment revenue	46,441	391,980	11,725	67,344	-	517,490
Reportable segment gross profit	10,494	48,018	4,129	32,020	-	94,661

(ii) Geographic information

The following is an analysis of the Group's revenue by the geographical locations of customers:

	(Unaudited)	
	Six months ended 30 September 2024 HK\$'000	Six months ended 30 September 2023 HK\$'000
Hong Kong (place of domicile)	504,003	517,490
Malaysia	61	-
	504,064	517,490

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(ii) Geographic information *(Continued)*

Non-current assets

	(Unaudited) At 30 September 2024 HK\$'000	(Audited) At 31 March 2024 HK\$'000
Hong Kong (place of domicile)	96,322	99,793
The PRC, excluding Hong Kong	38	37
Malaysia	200,488	174,958
	296,848	274,788

The geographical location of the non-current assets is based on the physical location of the assets, 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.

6. OTHER REVENUE AND OTHER NET GAINS

	(Unaudited) Six months ended 30 September	
	2024 HK\$'000	2023 HK\$'000
Bank interest income*	4,476	2,925
Marketing income	278	36
Net foreign exchange gain/(loss)	131	(1,154)
Dividends from financial assets at fair value through profit or loss	450	-
Fair value gain of financial assets at fair value through profit or loss	607	-
Others	72	117
	6,014	1,924

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Total interest expense on financial liabilities not at fair value through profit or loss:		
– Interest on bank overdraft	46	2
– Interest on lease liabilities	73	55
Effective interest expense of promissory note payables	901	865
	1,020	922

(b) Staff costs (including directors' remuneration)

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Salaries, wages and other benefits	96,679	83,110
Contributions to defined contribution retirement plans	2,631	2,125
	99,310	85,235

(c) Other items

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Amortisation of intangible assets	2,419	2,427
Depreciation charge:		
– owned property, plant and equipment	1,604	1,235
– right-of-use assets	859	614
	4,682	4,280

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

8. INCOME TAX

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

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax	4,595	4,816
Deferred tax	(399)	(399)
	4,196	4,417

- (a) The statutory income tax rate of the Company and its subsidiaries operated in Hong Kong for the six months ended 30 September 2024 and 2023 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%. The provision for Hong Kong Profits Tax for this subsidiary was calculated on the same basis in 2023.
- (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 is 25%. A Malaysia subsidiary of the Group subjected to Malaysia Corporate Tax 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 six months ended 30 September 2024 and 2023.

9. DIVIDENDS

A final dividend in respect of the year ended 31 March 2024 of HK\$1.0 cent (2023: Nil) per ordinary share amounting to HK\$8,776,000 (2023: Nil) was proposed pursuant to a resolution passed by the Board of Directors on 28 June 2024 and was approved by the shareholders at the annual general meeting of the Company on 26 August 2024.

Other than disclosed above, no dividends were paid or declared by the Company for the six months ended 30 September 2024 (for the six months ended 30 September 2023: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 period.

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
Profit attributable to equity shareholders of the Company (HK\$)	22,015,000	14,256,000
Weighted average number of ordinary shares in issue	877,590,312	877,590,312
Basic earnings per share (HK cents per share)	2.5	1.6

(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.

	(Unaudited)	
	Six months ended 30 September	
	2024	2023
Profit attributable to equity shareholders of the Company (HK\$)	22,015,000	14,256,000
Weighted average number of ordinary shares for diluted earnings per share	877,590,312	877,590,312
Diluted earnings per share (HK cents per share)	2.5	1.6

11. INVESTMENT PROPERTY

	(Unaudited)	(Audited)
	At	At
	30 September	31 March
	2024	2024
	HK\$'000	HK\$'000
At fair value		
At the beginning of the period/year	174,958	187,859
Fair value change	3,449	(2,555)
Exchange adjustments	22,081	(10,346)
At the end of the period/year	200,488	174,958

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

11. INVESTMENT PROPERTY (Continued)

On 31 March 2024 and 30 September 2024, 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 2024, the adopted capitalisation rates in the valuation was 4.9% and the monthly market rent per square feet ranged from Malaysian Ringgit ("RM") 7.0 (equivalent to approximately HK\$13.2) to RM14.3 (equivalent to approximately HK\$26.9).

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.

12. INTERESTS IN ASSOCIATE

	(Unaudited) At 30 September 2024 HK\$'000	(Audited) At 31 March 2024 HK\$'000
Carrying amount	-	-

Note: The Group has discontinued the recognition of its share of loss of associate because the share of loss of the associate exceeded the Group's interest in the associate and the Group has no obligation to take up further loss. The amounts of the Group's unrecognized share of losses of associates for the six months ended 30 September 2024 and cumulatively were nil (for the six months ended 30 September 2023: nil) and HK\$431,000 (for the six months ended 30 September 2023: 431,000), respectively.

The following table contains the particulars of associate, which is unlisted corporate entity 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 30 September 2024	31 March 2024	
Bao Cheng Holdings (HK) Limited	Hong Kong	2,000 ordinary shares	-*	25%	Investment holding

* Bao Cheng Holdings (HK) Limited had been deregistered since 2 August 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

13. TRADE AND OTHER RECEIVABLES

	(Unaudited) At 30 September 2024 HK\$'000	(Audited) At 31 March 2024 HK\$'000
Trade receivables	295,035	354,798
Less: Allowances for doubtful debts	(1,302)	(13,653)
	293,733	341,145
Other receivables	1,781	2,330
Rental and other deposits	4,482	3,898
Prepayments	11,502	15,933
	311,498	363,306

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

	(Unaudited) At 30 September 2024 HK\$'000	(Audited) At 31 March 2024 HK\$'000
Within 1 month	233,363	281,035
1 to 3 months	50,952	43,006
Over 3 months	9,418	17,104
	293,733	341,145

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) At 30 September 2024 HK\$'000	(Audited) At 31 March 2024 HK\$'000
Current assets		
Debt securities held for trading		
– Listed inside Hong Kong	12,733	-
– Listed outside Hong Kong	17,783	-
	30,516	-

The above debt securities held for trading are classified as current assets.

Fair values for these instruments have been measured as described in note 19.

15. TRADE AND OTHER PAYABLES

	(Unaudited) At 30 September 2024 HK\$'000	(Audited) At 31 March 2024 HK\$'000
Trade payables	172,828	186,574
Accrued expenses and other payables	59,294	72,207
Dividend payable to non-controlling interests	-	1,830
	232,122	260,611

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

	(Unaudited) At 30 September 2024 HK\$'000	(Audited) At 31 March 2024 HK\$'000
Within 1 month	49,326	177,611
1 to 3 months	79,456	8,096
Over 3 months	44,046	867
	172,828	186,574

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

16. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised		
Ordinary shares of HK\$0.025 each	4,000,000,000	100,000
Issued and fully paid		
At 1 April 2023	877,590,312	21,940
At 31 March 2024, 1 April 2024 and 30 September 2024	877,590,312	21,940

Note: 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.

17. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the unaudited 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	
	2024	2023
	HK\$'000	HK\$'000
Short-term employee benefits	8,267	7,683
Post-employment benefits	218	252
	8,485	7,935

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

18. CONTINGENT LIABILITIES

At 30 September 2024, performance bonds of HK\$11,526,000 (31 March 2024: HK\$12,220,000) were given by a bank in favour of customers of the Group to protect the customers from the Group's default on its obligation under the contracts. The Directors do not consider that a claim will be made against the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets carried at fair value

The following table presents financial assets measured at fair value at the reporting date in accordance with fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Unaudited			Total HK\$'000
	As at 30 September 2024			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Assets				
Financial assets at fair value through profit or loss				
– Listed debt securities (note)	–	30,516	–	30,516
Total fair value	–	30,516	–	30,516

There were no transfers between levels during the six months ended 30 September 2024 and the year ended 31 March 2024.

Note: Valuation techniques and inputs used in Level 2 fair value measurements
Fair value of listed debt securities has been determined by using valuation techniques.

The methods and assumptions applied for the valuation of the listed debt securities are as follows:

The fair value of listed debt securities would be the mid-market quote plus accrued but unpaid interest. The fair value of these listed debt securities is approximately HK\$30,516,000 (31 March 2024: nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

20. 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\$37,400,000 (equivalent to RM20,000,000 with agreed exchange rate) to Rainbow Field Investment Limited (the "Vendor") in accordance with the terms and conditions of the acquisition agreement on 22 November 2021. The Promissory Note has a term of 36 months from the date of issue and bears an interest at the rate of 2% per annum.

As the Promissory Note would fall due on 21 November 2024 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 since 2020. In light of the reasons mentioned above, the feedback from the Vendor with the issuance of a new promissory note was positive.

On 20 November 2024, 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\$36,888,000 (equivalent to RM21,200,000 with agreed exchange rate) 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 20 November 2024. Further details were set out in the Company's announcement dated 20 November 2024.

21. POSSIBLE IMPACT OF AMENDMENTS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

Up to the date of issue of these unaudited interim financial statements, the HKICPA has issued a number of amendments which are not yet effective for the six months ended 30 September 2024 and which have not been adopted in these unaudited interim financial statements. These include the following which may be relevant to the Group.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability – Disclosure ³
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective date to be determined

The Group will adopt the above new standards, amendments to standards and interpretation when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new standards, amendments to standards and interpretation, none of which is expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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.

BUSINESS REVIEW AND OUTLOOK

For the six months ended 30 September 2024 ("Interim 2024"), the Group recognised a profit attributable to equity shareholders of the Company of approximately HK\$22.0 million as compared to the profit attributable to equity shareholders of the Company of approximately HK\$14.3 million for the six months ended 30 September 2023 ("Interim 2023"). As compared to Interim 2023, the increase were primarily attributable to the net effect of: (i) an increase in gross profit by approximately HK\$9.9 million; (ii) an increase in other revenue and other net gains by approximately HK\$4.1 million; (iii) an increase in change in fair value of investment property by approximately HK\$4.1 million and (iv) an increase in general and administrative expenses by approximately HK\$11.8 million, which was mainly due to the increase in staff costs of approximately HK\$11.1 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\$31.3 million, representing approximately 6.2% of the total revenue for Interim 2024. The revenue derived from this segment decreased by approximately 33% from approximately HK\$46.5 million for Interim 2023 to approximately HK\$31.3 million for Interim 2024. The significant decrease was primarily due to some implementation phase of large-scale IT projects were completed during the year ended 31 March 2024. For other large-scale IT projects on hand, they have not commenced the implementation phase or in preliminary stage, not much revenue would recorded during Interim 2024.

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\$373.4 million, representing approximately 74.1% of the total revenue for Interim 2024. The revenue from this segment decreased by approximately 5% from approximately HK\$392.0 million for Interim 2023 to approximately HK\$373.4 million for Interim 2024. The decrease was primarily due to decreased demand from the Group's customers in banking and finance sectors. This offset the 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 during Interim 2024.

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\$16.0 million, representing approximately 3.1% of the total revenue for Interim 2024. The revenue derived from this segment increased by approximately 37% from approximately HK\$11.7 million for Interim 2023 to approximately HK\$16.0 million for Interim 2024. The increase were primarily due to (i) the increase in demand for services from major customers in banking and finance sector and (ii) some new IT secondment services contracts awarded to the Group during Interim 2024.

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\$83.3 million, representing approximately 16.5% of the total revenue for Interim 2024. The revenue derived from this segment increased by approximately 24% from approximately HK\$67.3 million for Interim 2023 to approximately HK\$83.3 million for Interim 2024. The increase were primarily due to (i) the increase of new IT maintenance and support services contracts awarded to the Group and (ii) the commencement of maintenance phase from a sizeable IT project after the completion of implementation phase during Interim 2024.

Property leasing

This segment provides property leasing services. The revenue generated from this segment amounted to approximately HK\$0.1 million, representing approximately 0.1% of the total revenue for Interim 2024. As the business environment in Malaysia is returning to normal gradually during Interim 2024, the management started the marketing and promotion work accordingly. It is expected that Project CKB will contribute stable rental income from the physical stores to the Group in the foreseeable future.

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 2023/24 of the Company for the year ended 31 March 2024. 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.

In year 2024, the worldwide business environment was unpredictable and affected by high inflation rate and exchange rate changes. The Group continued to face challenges such as high labour cost and shortage of experienced labour, while trying to secure new IT projects on the same time. Due to the consumption preferences of the customers are constantly changing, the Group will strive to meet the needs of customers by providing professional services and IT products with high quality and best price. Though there are still many uncertainties in the business environment, the management believes that the Group's prospects remain promising.

The Group will continue to focus on its operation and formulate a stronger financial position with a light asset operation, lower geared structure and higher liquidity. By way of adopting a light asset cost model, the Group should be able to improve its operational flexibility, and minimize the adverse impact on the business operation.

The management will closely monitor the exposure to risks and uncertainties on an ongoing basis, make timely predictions and adjustments of operating strategies, and prepare for any operational risks that may arise. Looking ahead, as the opportunities always coexist with challenges, the Group will continue to explore potential business opportunities all over the world, which will expand the Group's network, broaden the sources of income and maximize shareholders value.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue for Interim 2024 amounted to approximately HK\$504.1 million, representing a decrease of approximately HK\$13.4 million or 3% as compared to Interim 2023 (Interim 2023: approximately HK\$517.5 million). The decrease were mainly due to the decrease in revenue generated from (i) IT application and solution development services segment and (ii) IT infrastructure solutions services segment of approximately HK\$15.2 million and HK\$18.6 million respectively, offset the increase in revenue generated from (i) IT secondment services segment and (ii) IT maintenance and support services segment of approximately HK\$4.3 million and HK\$16.0 million respectively.

Gross profit and gross profit margin

The Group's gross profit for Interim 2024 amounted to approximately HK\$104.6 million, representing an increase of approximately HK\$9.9 million or 10% as compared to Interim 2023 (Interim 2023: approximately HK\$94.7 million), while the gross profit margin of the Group increased to approximately 21% for Interim 2024 (Interim 2023: approximately 18%). For (i) IT secondment services segment and (ii) IT maintenance and support services segment, the gross profits increased in line with the increase in revenue. For IT application and solution development services segment, the gross profit decreased in line with the decrease in revenue. For IT infrastructure solutions services segment, with the efficient control in direct costs in hardware and software, the gross profit increased in the case of decrease in revenue.

Due to the increase of staff costs, direct costs in hardware and software during Interim 2024, the gross profit margin was decreased in IT maintenance and support services segment. For (i) IT application and solution development services segment, (ii) IT infrastructure solutions services segment and (iii) IT secondment services segment, with the efficient control in staff costs, direct costs in hardware and software, the gross profit margins were increased during Interim 2024.

Other revenue and other net gains

The Group's other revenue and other net gains for Interim 2024 amounted to approximately HK\$6.0 million, representing an increase of approximately HK\$4.1 million or 216% as compared to Interim 2023 (Interim 2023: approximately HK\$1.9 million). The increase were mainly due to (i) the increase of bank interest income and (ii) the increase of dividends and fair value gain of financial assets at fair value through profit or loss during Interim 2024.

General and administrative expenses

The Group's general and administrative expenses for Interim 2024 amounted to approximately HK\$81.9 million, representing an increase of approximately HK\$11.8 million or 17% as compared to Interim 2023 (Interim 2023: approximately HK\$70.1 million). The increase was mainly due to the increase in staff costs of approximately HK\$11.1 million as compared to Interim 2023, which attributed to (i) the increase of full-time employees during Interim 2024 (as at 30 September 2024: 338, as at 30 September 2023: 303) (ii) expansion of the Group's sales team so as to expand its sales channels and (iii) commission paid to sales team which was in line with the increase in revenue of the Group during Interim 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Change in fair value of investment property

On 2 June 2020, the acquisition of Project CKB was completed. As a result, investment property was recognised for the six months ended 30 September 2020. According to the relevant accounting standards, the investment property is 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.

The Group's change in fair value of investment property for Interim 2024 amounted to approximately gain of HK\$3.4 million (Interim 2023: approximately loss of HK\$0.7 million). The increase was mainly due to there was increase in the monthly market rent (in Malaysia) during Interim 2024. 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.

Finance costs

The Group's finance costs for Interim 2024 amounted to approximately HK\$1.0 million, representing an increase of approximately HK\$0.1 million or 11% as compared to Interim 2023 (Interim 2023: approximately HK\$0.9 million). The finance costs for Interim 2024 and Interim 2023 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 Interim 2024 amounted to approximately HK\$4.2 million (Interim 2023: approximately HK\$4.4 million), representing a decrease of approximately HK\$0.2 million or 5% as compared to Interim 2023.

Profit for the period

The Group's net profit for Interim 2024 amounted to approximately HK\$28.0 million, representing an increase of approximately HK\$7.7 million or 38% as compared to Interim 2023 (Interim 2023: approximately HK\$20.3 million). As compared to Interim 2023, the increase were mainly attributable to the net effect of: (i) an increase in gross profit by approximately HK\$9.9 million; (ii) an increase in other revenue and other net gains by approximately HK\$4.1 million; (iii) an increase in general and administrative expenses by approximately HK\$11.8 million, which was mainly due to the increase in staff costs of approximately HK\$11.1 million and (iv) an increase in change in fair value of investment property by approximately HK\$4.1 million.

MANAGEMENT DISCUSSION AND ANALYSIS

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 30 September 2024:

	Intended use of net proceeds HK\$ million	Utilised of the net proceeds up to 30 September 2024 HK\$ million	Unutilised of the net proceeds up to 30 September 2024 HK\$ million	Expected timeline for the application of the unutilised of the net proceeds
2020 Placing Shares Proceeds				
Settlement of the consideration	18.0	18.0	-	
Further business development	4.8	3.9	0.9	
Total	22.8	21.9	0.9	On or before 31 December 2024
2021 Placing Shares Proceeds				
Development of the Algorithmic Trading Solution Platform	30.5	24.7	5.8	On or before 31 December 2025

MANAGEMENT DISCUSSION AND ANALYSIS

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
Lot 445, 446, 447 and 448 Section 46, Jalan Chow Kit, Kuala Lumpur, Malaysia	100%	Commercial	Long-term	Approximately 49,702 square feet

As at 30 September 2024, with reference to the valuation report prepared by an independent professional valuation firm, the carrying amount of the investment property is approximately HK\$200.5 million, representing approximately 21% of the Group's total asset.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 September 2024, the Group held financial assets at fair value through profit or loss portfolio ("Portfolio") amounted to approximately HK\$30.5 million (30 September 2023: nil). During Interim 2024, the Portfolio generated approximately HK\$0.5 million (Interim 2023: nil) dividends from corporate bonds. The Group recognized fair value gain of financial assets at fair value through profit or loss of approximately HK\$0.6 million (Interim 2023: nil). Nevertheless, the fair value gains or losses were merely results of accounting treatments and do not have any actual impacts on the results of the operation and cash flow of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2024, the working capital represented by the Group's net current assets amounted to approximately HK\$324.5 million (31 March 2024: HK\$313.5 million). By adopting a prudent financial management approach, the Group continued to maintain a healthy financial position. The Group's cash and cash equivalents were approximately HK\$167.2 million (31 March 2024: HK\$150.6 million). Highly liquid assets, including cash and cash equivalents, time deposit with original maturities over three months and financial assets at fair value through profit or loss, were approximately HK\$298.7 million (31 March 2024: HK\$306.6 million). Total equity of the Group was HK\$598.8 million (31 March 2024: HK\$565.2 million).

As at 30 September 2024, the Group has unutilised bank facilities amounted to approximately HK\$95.5 million (as at 31 March 2024: approximately HK\$94.8 million). The net asset value per share attributable to equity shareholders of the Company was approximately HK\$0.7 (as at 31 March 2024: approximately HK\$0.6). The Group's gearing ratio, which is calculated on the basis of promissory note payables over total equity, was approximately 10% (as at 31 March 2024: approximately 10%). The Group's liquidity ratio, which is calculated on the basis of current assets over current liabilities, was approximately 2.0 times (as at 31 March 2024: approximately 1.9 times).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

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

As at 30 September 2024 and 31 March 2024, 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 2024 and Interim 2023, 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 a going concern, so that it can continue to provide returns for equity owners and other stakeholders, also 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.

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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During Interim 2024 and up to the date of this interim report, 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 30 September 2024

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 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 2024 and Interim 2023, there was no dividend income received from this investment.

MANAGEMENT DISCUSSION AND ANALYSIS

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, during Interim 2024, there was increase in the monthly market rent per square foot adopted in the valuation under income capitalisation approach, the fair value of the Property is approximately RM104.0 million (approximately HK\$175.0 million) as at 31 March 2024 and increase to RM106.0 million (approximately HK\$200.5 million) as at 30 September 2024.

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 2024, the adopted capitalisation rates in the valuation was 4.9% and the monthly market rent per square feet ranged from RM7.0 (equivalent to approximately HK\$13.2) to RM14.3 (equivalent to approximately HK\$26.9). 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 Valuation firm. The fair value measurement is positively correlated to the monthly market rent per square feet 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 increased approximately HK\$3.4 million is appropriate.

Other investments held as at 30 September 2024

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"). 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 the year ended 31 March 2022, 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 Bao Cheng Holdings (HK) Limited, and finally deregistered on 14 January 2022 and 2 August 2024. The amounts of the Group's unrecognised share of losses of Bao Cheng Group for the current period and cumulatively were nil (Interim 2023: approximately HK\$nil) and HK\$431,000 (Interim 2023: approximately HK\$431,000), respectively. As at 30 September 2024, the carrying amount of Bao Cheng Group is nil (Interim 2023: nil).

Saved as disclosed above, the Group did not acquire or hold any other significant investments as at 30 September 2024. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital assets held as at 30 September 2024

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 2024 and up to the date of this interim report.

Saved as disclosed above, the Group did not acquire or hold any other significant capital assets during Interim 2024 and Interim 2023.

CONTINGENT LIABILITIES

As at 30 September 2024, the performance bonds amounted to approximately HK\$11.5 million (as at 31 March 2024: approximately HK\$12.2 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 bonds.

Saved as disclosed above, the Group had no other material contingent liabilities as at 30 September 2024 and up to the date of this interim report.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

For the core business operation of the Group, it is not exposed to significant foreign exchange risk as the majority of its business transactions are denominated in Hong Kong dollars (being the functional currency of the Group). The Group faced foreign exchange exposure mainly for Project CKB (the significant amount of investment property that was denominated in foreign currency as at 30 September 2024 and 2023).

The Group currently does not have a foreign currency hedging policy, the management of the Group will monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

CHARGE ON THE GROUP'S ASSETS

As at 30 September 2024, except for (i) the pledged bank deposit of approximately HK\$2.0 million (as at 31 March 2024: 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\$33.1 million (as at 31 March 2024: approximately HK\$33.8 million) pledged to a bank for facilities of HK\$60.0 million (as at 31 March 2024: HK\$60.0 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 2024, the Group employed a total of 338 full-time employees (as at 30 September 2023: 303). The staff costs (including Directors' emoluments) of the Group were approximately HK\$99.3 million for Interim 2024 (Interim 2023: approximately HK\$85.2 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 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 2024 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 deviation as explained below:

Pursuant to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established.

Mr. Lee Cheong Yuen ("Mr. Lee") currently holds the role of both chairman of the Board (the "Chairman") and chief executive officer of the Group (the "CEO"). In view of Mr. Lee is the key leadership figure of the Group who has been primarily involved in the formulation and execution of business strategies, and determination of the overall long-term development direction. The Board believes that with the support of Mr. Lee's considerable experience and knowledge in IT industry, holding the roles of both Chairman and CEO is in the best interests to the Group and the shareholders as a whole. At the same time, as all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

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 C3 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 2024.

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

Since the Company's annual report for the year ended 31 March 2024, 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During Interim 2024 and 2023, 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 2024 and 2023.

EVENT AFTER THE REPORTING PERIOD

Settlement of promissory note and issue of new promissory note

Regarding to Project CKB, the Company had issued the Promissory Note in the principal amount of HK\$37,400,000 (equivalent to RM20,000,000 with agreed exchange rate) to the Vendor in accordance with the terms and conditions of the acquisition agreement on 22 November 2021. The Promissory Note has a term of 36 months from the date of issue and bears an interest at the rate of 2% per annum.

As the Promissory Note would fall due on 21 November 2024 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 since 2020. In light of the reasons mentioned above, the feedback from the Vendor with the issuance of a new promissory note was positive.

On 20 November 2024, 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\$36,888,000 (equivalent to RM21,200,000 with agreed exchange rate) 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 20 November 2024. Further details were set out in the Company's announcement dated 20 November 2024.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, 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, recorded 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/ interested	Approximate percentage to the issued capital of the Company
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).
3. Shares in which Mr. Lee is interested consist of (i) 179,200 Shares held by him; (ii) 117,000,000 Shares held by BIZ Cloud Limited, a company wholly-owned by him; 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 him.
5. As at 30 September 2024, 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, as at 30 September 2024, 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.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the six months ended 30 September 2024 and 2023 were there any rights to acquire benefits by means of the acquisition of securities of the Company granted to any Director or their respective spouse or children under 18 years of age, or were there any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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

As at 30 September 2024, so far as is known to the Directors, the following parties (other than the Director and chief executive of the Company) had interests or short positions in 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/ interested	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).
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 to be 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 to be 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 to be 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 to be 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 (ii) 160,594,800 Shares in which Mr. Tam is deemed to be interested as a result of being a party acting in concert with Mr. Lee and Mr. Chan.
10. As at 30 September 2024, 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, there was no person who had any interests or short positions in the Shares or underlying Shares as at 30 September 2024 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 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 2024 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, 28 November 2024

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lee Cheong Yuen (*Chairman*)

Mr. Pun Shing Cheung

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

COMPANY SECRETARY

Mr. Pun Shing Cheung, *CPA*

AUTHORISED REPRESENTATIVES

For the purpose of the Rules Governing the Listing of Securities
of the Stock Exchange of Hong Kong Limited

Mr. Lee Cheon Yuen

Mr. Pun Shing Cheung

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 and

*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

China Construction Bank (Asia) Corporation Limited

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

STOCK CODE

1460