



ICICLE

Icicle Group Holdings Limited

冰雪集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8429

BY WAY OF SHARE OFFER

Sole Sponsor



SUCCESS NEW SPRING
CAPITAL LIMITED
實德新源資本有限公司

Sole Bookrunner and Joint Lead Manager



Joint Lead Manager



IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



ICICLE

Icicle Group Holdings Limited

冰雪集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF SHARE OFFER

Number of Offer Shares	:	120,000,000 Shares
Number of Placing Shares	:	108,000,000 Shares (subject to re-allocation)
Number of Public Offer Shares	:	12,000,000 Shares (including 1,200,000 Employee Reserved Shares) (subject to re-allocation)
Offer Price	:	Not more than HK\$0.60 per Offer Share and not less than HK\$0.48 per Offer Share plus brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	:	HK\$0.01 per Share
Stock Code	:	8429

Sole Sponsor



SUCCESS NEW SPRING
CAPITAL LIMITED
實德新源資本有限公司

Sole Bookrunner



統一證券(香港)有限公司
PRESIDENT SECURITIES (HONG KONG) LTD.

Joint Lead Managers



統一證券(香港)有限公司
PRESIDENT SECURITIES (HONG KONG) LTD.



藍山金融
BLUEMOUNT

Co-Lead Managers



SUCCESS SECURITIES LIMITED
實德證券有限公司



訊匯證券有限公司
SINCERE SECURITIES LIMITED



宏匯證券有限公司
GRAND VIEW SECURITIES LIMITED

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, together with the documents specified under the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix V to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is currently expected to be fixed by an agreement between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or about Friday, 1 December 2017, or such later date as may be agreed between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters). If, for any reason, the final Offer Price is not agreed by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse immediately. In such case, an announcement will be made immediately by our Company on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.iciclegroup.com. The Offer Price is expected to be not more than HK\$0.60 per Offer Share and not less than HK\$0.48 per Offer Share, unless otherwise announced. The Joint Lead Managers (for themselves and on behalf of the Underwriters) may, with the consent of our Company, reduce the indicative Offer Price range below to that stated in this prospectus at any time on or prior to the Price Determination Date. If this occurs, a notice of reduction of the indicative Offer Price range will be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.iciclegroup.com.

Prior to making investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including but not limited to the risk factors set out in the section headed "Risk factors" of this prospectus.

Prospective investors of the Offer Shares should note that the Joint Lead Managers (for themselves and on behalf of the Underwriters) are entitled to terminate the Underwriting Agreements by giving a notice in writing to our Company upon the occurrence of any of the events set out under the paragraph headed "Underwriting — Underwriting arrangements and expenses — Grounds for termination" of this prospectus, at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Should the Joint Lead Managers (for themselves and on behalf of the Underwriters) terminate the Underwriting Agreements, the Share Offer will not proceed and will lapse.

27 November 2017

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is by publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the website of the Stock Exchange at www.hkexnews.hk in order to obtain up-to-date information on companies listed on GEM.

EXPECTED TIMETABLE

If there is any change to the following expected timetable, our Company will issue an announcement on the respective websites of our Company at www.iciclegroup.com and the Stock Exchange at www.hkexnews.hk.

Date⁽¹⁾

2017

Public Offer and the Employee Preferential Offering commences
and **WHITE, YELLOW** and **PINK**

Application Forms available from..... 9:00 a.m. on Monday, 27 November

Latest time to lodge **PINK Application Forms**

at our Company's head office at Unit 4, 12/F,

18 King Wah Road, North Point, Hong Kong..... 12:00 noon on Wednesday, 29 November

Latest time for completing electronic applications

under **HK eIPO White Form** services through the

designated website at www.hkeipo.hk⁽⁴⁾..... 11:30 a.m. on Thursday, 30 November

Application lists of the Public Offer open⁽²⁾ 11:45 a.m. on Thursday, 30 November

Latest time for lodging **WHITE** and **YELLOW**

Application Forms and giving **electronic application**

instructions to HKSCC⁽³⁾..... 12:00 noon on Thursday, 30 November

Latest time for completing payment of

HK eIPO White Form applications

by effecting internet banking transfer(s) or

PPS payment transfer(s) 12:00 noon on Thursday, 30 November

Application lists of the Public Offer close⁽²⁾ 12:00 noon on Thursday, 30 November

Expected Price Determination Date⁽⁵⁾ on or around Friday, 1 December

Announcement of the final Offer Price,

the level of indications of interest in the Placing,

the level of applications in the Public Offer and

the Employee Preferential Offering and the basis of allocation

of the Public Offer Shares and the Employee Reserved Shares

under the Public Offer to be published on our Company's

website at www.iciclegroup.com and the website of the

Stock Exchange at www.hkexnews.hk on or before Thursday, 7 December

EXPECTED TIMETABLE

Date⁽¹⁾
2017

Results of allocations in the Public Offer and the Employee Preferential Offering (with successful applicants' identification numbers, where applicable) will be available through a variety of channels as described in the paragraph headed "How to apply for the Public Offer Shares and the Employee Reserved Shares — 11. Publication of results" in this prospectus Thursday, 7 December

Results of allocations in the Public Offer and the Employee Preferential Offering will be available at www.tricor.com.hk/ipo/result with a "search by ID Number/Business Registration Number" function from. Thursday, 7 December

Despatch/collection of Share certificate or deposit of the Share certificate into CCASS in respect of wholly or partially successful applications pursuant to the Public Offer and the Employee Preferential Offering on or before⁽⁶⁾ Thursday, 7 December

Despatch/collection of refund cheques or **HK eIPO White Form e-Auto Refund** payment instructions in respect of wholly or partially successful applications (if applicable) and wholly or partial unsuccessful applications pursuant to the Public Offer and the Employee Preferential Offering on or before⁽⁶⁾ Thursday, 7 December

Dealing in our Shares on GEM expected to commence at 9:00 a.m. on Friday, 8 December

Notes:

1. All times and dates refer to Hong Kong local time and dates unless otherwise stated in this prospectus. Details of the structure of the Share Offer, including its conditions, are set out in the section headed "Structure and conditions of the Share Offer" in this prospectus.
2. If there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning in force in Hong Kong at any time between 9:00 a.m. to 12:00 noon on Thursday, 30 November 2017, the application lists will not open or close on that day. Please refer to the paragraph headed "How to apply for the Public Offer Shares and the Employee Reserved Shares — 10. Effect of bad weather on the opening of the application lists" in this prospectus for details.
3. Applicants who apply for Public Offer Shares by giving electronic application instructions to HKSCC via CCASS should refer to the paragraph headed "How to apply for the Public Offer Shares and the Employee Reserved Shares — 6. Applying by giving electronic application instructions to HKSCC via CCASS" in this prospectus.

EXPECTED TIMETABLE

4. You will not be permitted to submit your application through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website at or before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications when the application lists close.
5. The Price Determination Date is expected to be on or around Friday, 1 December 2017 or such later date as may be agreed between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters). If, for any reason, the final Offer Price is not agreed by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse immediately.
6. Refund cheques or e-Auto Refund payment instruction will be used in respect of wholly or partially unsuccessful applications pursuant to the Public Offer and also in respect of wholly or partially successful application in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund cheque. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque.

Applicants who have applied on **WHITE Application Forms** or **HK eIPO White Form** for 1,000,000 or more Public Offer Shares or on **PINK Application Forms** for 1,000,000 or more Employee Reserved Shares and have provided all information required by their Application Forms may collect any refund cheques and/or Share certificates in person from our Hong Kong Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 7 December 2017. Applicant being individual who is eligible for personal collection may not authorise any other person to collect on his/her behalf. Applicant being corporation which is eligible for personal collection must attend through its authorised representative bearing a letter of authorisation from the corporation stamped with the corporation's chop. Both individuals and authorised representatives of corporations must produce evidence of identification acceptable to our Hong Kong Share Registrar at the time of collection.

Applicants who have applied on **YELLOW Application Form** for 1,000,000 or more Public Offer Shares may collect their refund cheques, if any, in person but may not elect to collect their Share certificates as such Share certificates will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to their designated CCASS Participants' stock account as stated in their Application Forms. The procedures for collection of refund cheques for **YELLOW Application Form** applicants are the same as those for **WHITE Application Form** applicants.

Applicants who have applied for Public Offer Shares by giving electronic application instructions to HKSCC via CCASS should refer to the paragraph headed "How to apply for the Public Offer Shares and the Employee Reserved Shares — 14. Despatch/collection of Share certificates and refund monies" in this prospectus for details.

Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through single bank accounts may have refund monies (if any) despatched to the bank account in the form of e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund cheques by ordinary post at their own risk.

Applicants who have applied for less than 1,000,000 Public Offer Shares or Employee Reserved Shares and any uncollected Share certificates and/or refund cheques will be despatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

EXPECTED TIMETABLE

Further information is set out in the paragraph headed “How to apply for the Public Offer Shares and the Employee Reserved Shares — 13. Refund of application monies” and “How to apply for the Public Offer Shares and the Employee Reserved Shares — 14. Despatch/Collection of share certificates and refund monies” in this prospectus.

Share certificates will only become valid certificates of title to which they relate at 8:00 a.m. (Hong Kong time) on the Listing Date provided that (i) the Share Offer has become unconditional in all respects; and (ii) the rights of termination described in the paragraph headed “Underwriting — Underwriting arrangements and expenses — Grounds for termination” in this prospectus has not been exercised and has lapsed. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid certificate of title do so entirely at their own risk.

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IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Public Offer in Hong Kong and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Offer Shares offered by this prospectus pursuant to the Public Offer. This prospectus may not be used for the purpose of and does not constitute an offer to sell or a solicitation of an offer in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than in Hong Kong. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or any exemption therefrom.

Prospective investors should rely only on the information contained in this prospectus and the Applications Forms to make the investment decision. Our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Co-Lead Managers and the Underwriter(s), have not authorised anyone to provide prospective investors with information that is different from what is contained in this prospectus. Any information or representation not contained in this prospectus must not be relied on by prospective investors as having been authorised by our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Co-Lead Managers, the Underwriter(s), any of their respective directors, advisers, officers, employees, agents, affiliates or representatives, or any other person or party involved in the Share Offer.

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SUMMARY

This summary aims to give prospective investors an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. As this is only a summary, it may not contain all the information that may be important to prospective investors. Prospective investors should read the whole prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment in companies listed on GEM. Some of the particular risks relating to investing in the Offer Shares are set out in the section headed “Risk factors” of this prospectus. Prospective investors should read the “Risk factors” section carefully before deciding to invest in the Offer Shares. Various expressions used in this summary are defined in the sections headed “Definitions” and “Glossary of technical terms” of this prospectus.

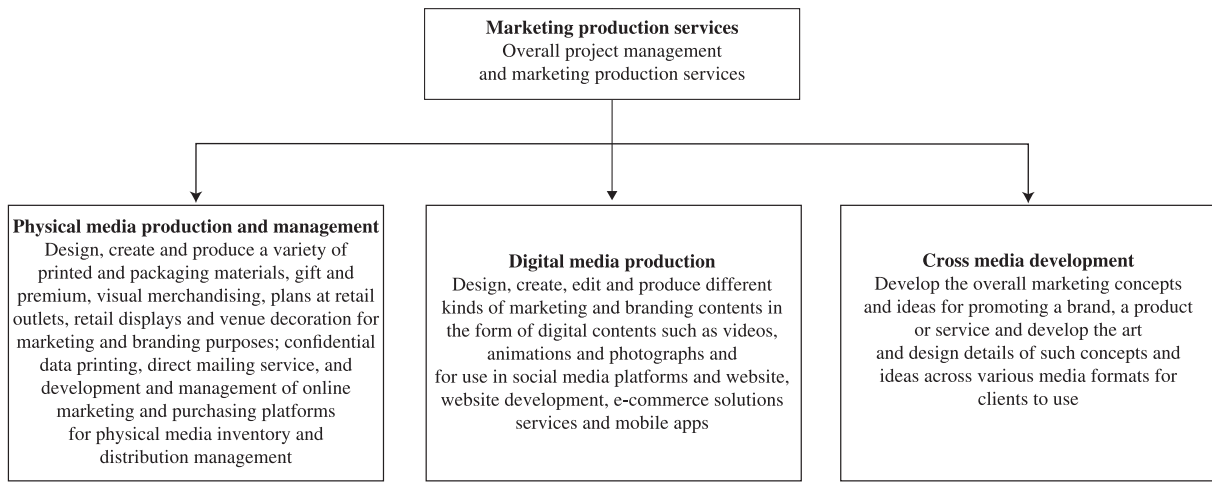
OVERVIEW

Our Group is a marketing production company headquartered in Hong Kong with a focus on printing, packaging and sourcing. During the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 88.9%, 89.5% and 89.0% of our revenue were derived from physical media production and management in printing, packaging and sourcing services, respectively. We design, create and produce marketing and branding materials and contents in Hong Kong and the PRC to clients who are international and local brand owners, including global financial institutions, luxury brand retailers and local retail chain stores. Commencing our business in late 1990s, we have over 18 years of experience in project management and production of printed marketing and branding materials. We have further expanded our business to the production of creative contents for marketing and branding purposes for use in the emerging digital media in 2013 and in the form of video since 2014, and subsequently expanded to cover marketing production for use in the form of photographs, social media contents, websites and other digital media.

Our services include overall project management and marketing production services to meet clients’ marketing and brand building requirements, which are divided into three categories namely (i) physical media production and management; (ii) digital media production; and (iii) cross media development.

SUMMARY

During the Track Record Period, there had not been any change in the business focus of our Group. The following diagram illustrates our marketing production services as at the Latest Practicable Date:



For the two years ended 31 December 2016, our revenue from continuing operation amounted to approximately HK\$85.7 million and HK\$91.0 million, respectively, representing a year-on-year growth of approximately 6.2%. For the five months ended 31 May 2017, our revenue from continuing operation amounted to approximately HK\$28.3 million.

COMPETITIVE STRENGTHS

We believe our key competitive strengths are as follows:

- We have extensive and solid clientele
- We have strong ability to provide marketing production services to brand owners
- We develop our own team of talents for optimisation of performance
- Our experienced management team is supported by well-trained employees

BUSINESS STRATEGIES

We intend to implement the following corporate strategies:

- Enlarge our social media marketing production capability and offering
- Enhance our overall service offering and expand the team across three categories
- Set up a studio and expand our work premises
- Enhance our business development in the PRC and sales and marketing activities
- Staff development and implementation of a real time management system

SUMMARY

CLIENTS

During the Track Record Period, we served over 340 brand owners from different industries. The following table sets forth a breakdown of our revenue from continuing operation by business sectors of our clients during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
					(unaudited)			
Financial institution and insurance company	27,192	31.7	31,693	34.9	10,464	32.0	11,483	40.6
Retail	24,390	28.5	27,692	30.4	9,386	28.7	8,901	31.5
Luxury brand	19,568	22.8	15,826	17.4	7,075	21.6	2,481	8.8
Corporate and others <i>(Note)</i>	<u>14,526</u>	<u>17.0</u>	<u>15,744</u>	<u>17.3</u>	<u>5,795</u>	<u>17.7</u>	<u>5,422</u>	<u>19.1</u>
Total	<u><u>85,676</u></u>	<u><u>100.0</u></u>	<u><u>90,955</u></u>	<u><u>100.0</u></u>	<u><u>32,720</u></u>	<u><u>100.0</u></u>	<u><u>28,287</u></u>	<u><u>100.0</u></u>

Note: These include corporates of other business sectors, non-commercial organisations and other public bodies.

Please refer to the paragraph headed “Business — Clients” in this prospectus for more details.

SUPPLIERS AND SUBCONTRACTORS

During the Track Record Period, our suppliers and subcontractors included (i) printing companies, photo and video shooting service providers, manpower resources service company for information system management, freelancers for digital media production and translators; and (ii) suppliers of papers and other packaging and sourcing materials, courier service providers, logistic service providers and information technology service providers. We maintained a list of over 900 suppliers and subcontractors as at the Latest Practicable Date. Please refer to the paragraph headed “Business — Suppliers and subcontractors” in this prospectus for more details.

SUMMARY

KEY OPERATIONAL AND FINANCIAL DATA

The table below sets forth a summary of our consolidated results during the Track Record Period which have been extracted from, and should be read in conjunction with, the Accountants' Report set out in Appendix I to this prospectus.

Summary of consolidated statements of comprehensive income

	For the year ended 31 December		For the five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Revenue from continuing operation	85,676	90,955	32,720	28,287
Profit/(loss) before tax from continuing operation	8,288	11,293	3,759	(3,095)
Profit/(loss) after tax from continuing operation	6,679	9,144	3,174	(3,785)
Profit before tax (excluding listing expenses) from continuing operation (<i>Note</i>)	8,288	13,180	4,259	3,272
Profit after tax (excluding listing expenses) from continuing operation (<i>Note</i>)	6,679	11,031	3,674	2,582

Note: Profit before and after tax (excluding listing expenses) from continuing operation for the years ended 31 December 2015 and 2016 and the five months ended 31 May 2016 and 2017 is for illustrative purpose and is a non-HKFRSs measure.

Revenue from continuing operation

Our revenue from continuing operation increased from approximately HK\$85.7 million for the year ended 31 December 2015 to approximately HK\$91.0 million for the year ended 31 December 2016, representing an increase of approximately 6.2%. Our revenue from continuing operation was approximately HK\$28.3 million for the five months ended 31 May 2017. The decrease in revenue from continuing operation for the five months ended 31 May 2017 as compared to the five months ended 31 May 2016 was mainly attributable to (i) the decrease in the revenue from physical media production and management services in printing, packaging and sourcing due to (a) the completion of a festive project of a recurring customer which completed earlier in 2016 and the respective revenue was recognised in the year ended 31 December 2016; (b) another major customer has reduced its order for printed welcome packs; and (c) one recurring customer has delayed in placing orders for their packing bags with design during the period; and (ii) the decrease in cross media development due to the completion of the design of branding materials of a major customer of our Group at the end of 2016 and there was no revenue generated from this kind of projects for this

SUMMARY

major customer during the period. The following table sets forth the breakdown of our revenue from continuing operation by our service category during the Track Record Period.

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Physical media production and management								
— Printing, packaging and sourcing	76,153	88.9	81,421	89.5	29,490	90.1	25,166	89.0
— Visual merchandising, retail displays and venue decoration	<u>2,448</u>	<u>2.8</u>	<u>1,175</u>	<u>1.3</u>	<u>674</u>	<u>2.1</u>	<u>736</u>	<u>2.6</u>
Sub-total	78,601	91.7	82,596	90.8	30,164	92.2	25,902	91.6
Digital media production	2,153	2.5	3,043	3.4	727	2.2	1,318	4.7
Cross media development	<u>4,922</u>	<u>5.8</u>	<u>5,316</u>	<u>5.8</u>	<u>1,829</u>	<u>5.6</u>	<u>1,067</u>	<u>3.7</u>
Total	<u><u>85,676</u></u>	<u><u>100.0</u></u>	<u><u>90,955</u></u>	<u><u>100.0</u></u>	<u><u>32,720</u></u>	<u><u>100.0</u></u>	<u><u>28,287</u></u>	<u><u>100.0</u></u>

The following table sets forth the breakdown of our revenue from continuing operation by geographical location of our clients during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Hong Kong	71,020	82.9	82,221	90.4	28,823	88.1	25,398	89.8
The PRC	4,910	5.7	2,687	3.0	1,264	3.9	863	3.0
Others <i>(Note)</i>	<u>9,746</u>	<u>11.4</u>	<u>6,047</u>	<u>6.6</u>	<u>2,633</u>	<u>8.0</u>	<u>2,026</u>	<u>7.2</u>
Total	<u><u>85,676</u></u>	<u><u>100.0</u></u>	<u><u>90,955</u></u>	<u><u>100.0</u></u>	<u><u>32,720</u></u>	<u><u>100.0</u></u>	<u><u>28,287</u></u>	<u><u>100.0</u></u>

Note: Others include Singapore, Japan, Australia, the United Kingdom, the United States, Belgium and other countries which individually contributed less than 5.0% of the revenue from continuing operation for the respective financial years/periods.

Our revenue from continuing operation from PRC-based clients decreased by approximately HK\$2.2 million from approximately HK\$4.9 million for the year ended 31 December 2015 to approximately HK\$2.7 million for the year ended 31 December 2016 mainly due to the decrease in the number of projects delivered for clients based in the PRC as a result of a reduction in the

SUMMARY

number of staff in the PRC, which was due to our focus on the business growth in Hong Kong and to deploy more headcount to support the strategic plans of our business. Our revenue from continuing operation from PRC-based clients decreased by approximately HK\$0.4 million from approximately HK\$1.3 million for the five months ended 31 May 2016 to approximately HK\$0.9 million for the five months ended 31 May 2017, which was mainly attributable to the reduction of volume of production for a customer's welcome packs during the year ended 31 December 2016. Regarding such decline for the five months ended 31 May 2017, our Directors considered that it did not represent the overall performance of our Group because (i) our Group's business scale in the PRC is small as there were one project management talent and one supporting staff employed by the Beijing's office as at the Latest Practicable Date; and (ii) the contribution to our Group's revenue from continuing operation from PRC-based clients is limited, which only accounted for approximately 5.7%, 3.0% and 3.0% of our Group's revenue from continuing operation during the years ended 31 December 2015 and 2016 and the five months ended 31 May 2017, respectively.

Outsourced project costs

For the two years ended 31 December 2016 and the five months ended 31 May 2016 and 2017, our outsourced project costs from continuing operation represented approximately 35.8%, 35.0%, 31.9% and 27.5% of our revenue from continuing operation, respectively. The following table sets forth a breakdown of our outsourced project costs from continuing operation during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
					(unaudited)			
Printing costs	23,709	77.3	26,566	83.5	8,478	81.3	6,598	85.0
Others	6,980	22.7	5,266	16.5	1,952	18.7	1,167	15.0
Total	<u>30,689</u>	<u>100.0</u>	<u>31,832</u>	<u>100.0</u>	<u>10,430</u>	<u>100.0</u>	<u>7,765</u>	<u>100.0</u>

Materials and consumables

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
					(unaudited)			
Paper supply	11,800	92.4	9,678	87.4	4,013	92.1	2,999	79.5
Others	967	7.6	1,397	12.6	345	7.9	775	20.5
Total	<u>12,767</u>	<u>100.0</u>	<u>11,075</u>	<u>100.0</u>	<u>4,358</u>	<u>100.0</u>	<u>3,774</u>	<u>100.0</u>

SUMMARY

For the two years ended 31 December 2016 and the five months ended 31 May 2016 and 2017, our materials and consumables expenses from continuing operation amounted to approximately HK\$12.8 million, HK\$11.1 million, HK\$4.4 million and HK\$3.8 million, respectively, representing approximately 14.9%, 12.2%, 13.3% and 13.3% of our revenue from continuing operation, respectively.

Profit/(loss) after tax for the year/period from continuing operation

Profit after tax for the year from continuing operation increased by approximately 36.9% from approximately HK\$6.7 million for the year ended 31 December 2015 to approximately HK\$9.1 million for the year ended 31 December 2016. It was mainly attributable to (i) the increase in revenue from continuing operation of our Group by approximately HK\$5.3 million for the year ended 31 December 2016, which was driven from all three service categories; (ii) the decrease in other outsourced project cost due to the decrease in revenue for visual merchandising, retail displays and venue decoration projects; (iii) the decrease in paper supply cost by approximately HK\$2.1 million; and (iv) the stable employee benefit expenses, which was offset by the increase in the listing expenses by approximately HK\$1.9 million. Loss after tax from continuing operation for the five months ended 31 May 2017 amounted to approximately HK\$3.8 million as compared to a net profit after tax from continuing operation of approximately HK\$3.2 million for the five months ended 31 May 2016. It was mainly attributable to (i) the incurrence of listing expenses of approximately HK\$6.4 million; (ii) the decrease in revenue from printing, packaging and sourcing and cross media development for the five months ended 31 May 2017 comparing to the five months ended 31 May 2016; and (iii) the increase in employee benefit expenses as a result of annual salary increment and hiring of an additional new staff for social media contents, which was offset by the decrease in outsourced project cost. Our Group recorded net profit after tax (excluding listing expenses) from continuing operation of approximately HK\$2.6 million for the five months ended 31 May 2017 in comparison with net profit after tax from continuing operation of approximately HK\$3.7 million for the five months ended 31 May 2016.

Summary of consolidated statements of financial position

	<u>As at 31 December</u>		<u>As at 31 May</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
Non-current assets	3,347	1,987	1,492
Current assets	49,146	56,064	46,634
Current liabilities	12,954	15,919	24,647
Net current assets	36,192	40,145	21,987
Non-current liabilities	278	—	—
Net assets	39,261	42,132	23,479

SUMMARY

The increase of net current assets as at 31 December 2016 as compared with that as at 31 December 2015 was mainly attributable to the increase in cash and cash equivalents which was partially offset by (i) the decrease in trade and other receivables, deposits and prepayments as we tightened debt collection; and (ii) the increase in trade and other payables, accruals and deposits received. The decrease in net current assets as at 31 May 2017 as compared with that as of 31 December 2016 was mainly due to the increase in the amount due to the shareholders of approximately HK\$12.0 millions, which was the remaining amount to be paid to the shareholders as a result of dividend declared during the five months ended 31 May 2017 and a decrease in cash and cash equivalents mainly due to the dividend of approximately HK\$3.0 million had been paid and settled by cash during the five months ended 31 May 2017.

Selected financial ratios

	<u>As at/For the year ended 31 December</u>		<u>As at/For the five months ended</u>
	<u>2015</u>	<u>2016</u>	<u>31 May</u>
			<u>2017</u>
Current ratio	3.8	3.5	1.9
Return on assets	12.7%	15.8%	N/A
Return on equity	17.0%	21.7%	N/A

SUMMARY

Cash flow

The following table sets forth a summary of our consolidated statements of cash flow during the Track Record Period:

	For the year ended 31 December		For the five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Cash flow generated from/ (used in) operating activities before working capital changes and income tax paid	9,432	13,484	4,452	(2,603)
Net cash generated from/(used in) operating activities	10,982	15,396	7,839	(9,182)
Net cash (used in)/generated from investing activities	(3,113)	778	(161)	(157)
Net cash used in financing activities	—	(5,655)	—	(3,008)
Net increase/(decrease) in cash and cash equivalents	7,869	10,519	7,678	(12,347)
Cash and cash equivalents at the beginning of the year/ period	19,365	26,776	26,776	36,678
Effect of foreign exchange rate changes	(458)	(617)	(177)	131
Cash and cash equivalents at the end of the year/period	26,776	36,678	34,277	24,462

Our Group recorded net cash generated from operating activities of approximately HK\$15.4 million for the year ended 31 December 2016 and net cash used in operating activities of approximately HK\$9.2 million for the five months ended 31 May 2017, such changes were mainly due to (i) the significant increase in payment of (a) the listing expenses of approximately HK\$6.8 million for the five months ended 31 May 2017; and (b) the rental deposit for the head office of approximately HK\$1.1 million for the five months ended 31 May 2017; and (ii) the lower level of trade payables as a result of the decrease in outsourced project costs and materials and consumables for the five months ended 31 May 2017. Please refer to the section headed “Financial information” in this prospectus for details of our Group’s financial performance during the Track Record Period.

SUMMARY

Loss on discontinued operation

For the year ended 31 December 2015, we recorded a loss from a discontinued operation of approximately HK\$1.0 million carried through our 73.8% owned subsidiary in Taiwan, Win Win Media, which had been disposed of. Win Win Media is a company principally engaged in web and mobile media production. For details of the disposal of our interests in Win Win Media, please refer to the paragraph headed “History, Reorganisation and corporate structure — Disposal of interests in a subsidiary” in this prospectus.

RECENT DEVELOPMENT

Since 1 June 2017 and up to the Latest Practicable Date, our Group had secured 1,810 new projects relating to physical media production and management, digital media production and cross media development. Such new projects have a total contract value of HK\$50.1 million. As at the Latest Practicable Date, the total outstanding contract sum of existing projects on hand amounted to approximately HK\$56.7 million (which included the total outstanding contract sum of approximately HK\$6.6 million as at 31 May 2017 where revenue had not been recognised during the five months ended 31 May 2017). To the best estimation of our Directors, we expect to recognise all of such revenue in the year ending 31 December 2017. In July 2017, we entered into a letter of intent to cooperate with an international social media influencer marketing company headquartered in Los Angeles, California, the United States, aiming to connect international brands with Asian markets and with a vision to connect Chinese brands with overseas market in a longer term. Prospective investors are specifically warned that given the estimated non-recurring listing expenses of our Group, of which approximately HK\$12.0 million are expected to be charged to the consolidated statement of comprehensive income of our Group for the year ending 31 December 2017, our Group’s profit for the year ending 31 December 2017 may show a substantial decline as compared to that of the previous financial year whereby a net loss will be expected. Prospective investors are specifically warned that, given the aforesaid expenses, our Group’s financial performance for the year ending 31 December 2017 may not be comparable to that of the previous year.

LISTING EXPENSES

Assuming the Offer Price of HK\$0.54 per Offer Share, being the mid-point of the indicative range of the Offer Price stated in this prospectus, the listing expenses, which are non-recurrent in nature, are estimated to be approximately HK\$21.0 million (including the underwriting commission). Approximately HK\$7.1 million of our estimated listing expenses is directly attributable to the issue of the Offer Shares and is to be accounted for as a deduction from equity in accordance with the relevant accounting standard. The remaining amount of approximately HK\$13.9 million has been or is to be charged to the consolidated statements of comprehensive income, of which (i) approximately HK\$1.9 million and HK\$6.4 million were recognised for the year ended 31 December 2016 and the five months ended 31 May 2017, respectively (as set out in Appendix I to this prospectus); and (ii) addition of approximately HK\$5.6 million is expected to be charged for the year ending 31 December 2017. Our Directors would like to emphasise that the listing expenses stated above are the current estimation for reference purpose and the actual amount

SUMMARY

to be recognised is subject to adjustments based on changes in variables and assumptions. Prospective investors should note that the financial performance of our Group for the year ending 31 December 2017 would be materially and adversely affected by the listing expenses mentioned above.

FUTURE PLANS AND USE OF PROCEEDS

We intend to apply the net proceeds of approximately HK\$43.8 million (assuming an Offer Price of approximately HK\$0.54, being the mid-point of the proposed Offer Price range of HK\$0.48 to HK\$0.60 per Offer Share) as follows:

- approximately 18.3% of the net proceeds, or approximately HK\$8.0 million, for enlarging our social media marketing production capability and offering, which include the development of strategic business partnership with the US-based Business Partner which entails business negotiation, staff training and overseas travelling, service launch, brand building in the industry in the region, market entry into Hong Kong and the PRC, the setting up of a team to develop our data analysis capabilities and the implementation of a data analytic platform;
- approximately 20.9% of the net proceeds, or approximately HK\$9.1 million, for enhancing our overall service offerings and expanding our team with key senior executive appointment and additional staff across the three categories of marketing production;
- approximately 26.1% of the net proceeds, or approximately HK\$11.5 million, for setting up a studio and expanding our work premises and infrastructure, which include adding and upgrading equipment and production facilities and expansion to the new office premises;
- approximately 18.9% of the net proceeds, or approximately HK\$8.3 million, for our Group's business development and sales and marketing in order to promote our Group's business to existing and potential clients, including the hiring of marketing staff and enhance our marketing efforts to build and enhance our brand recognition for such purpose;
- approximately 7.1% of the net proceeds, or approximately HK\$3.1 million, for staff development, which includes staff training, team and cultural development to promote staff retention, and development and implementation of a real time talent management system for better work efficiency; and
- approximately 8.7% of the net proceeds, or approximately HK\$3.8 million, as general working capital for our Group.

SUMMARY

RISK FACTORS

Our business is subject to a number of risks, including the following highlighted risks: (i) if we fail to attract, recruit or retain our project managers and creative designers, our ongoing operations and growth could be adversely affected; (ii) our business depends on our ability to maintain our existing relationship with brand owners and our ability to attract new brand owners to engage our marketing production services; (iii) our Group may have substantial loss when we commence new business during startup period or unforeseen factors may adversely affect our financial performance arise from new business; (iv) we rely on the experience and skills of our key management personnel; and (v) we generally do not enter into long-term agreements with our clients. If we fail to retain existing clients or attract new clients, our revenue and profitability could be significantly reduced. A detailed discussion of the aforesaid and other risk factors are set out in the section headed “Risk factors” in this prospectus.

SHAREHOLDERS INFORMATION

Explorer Vantage is a company incorporated in the BVI with limited liability and wholly-owned by Ms. Bonnie Chan Woo. Immediately upon completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares that may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), Explorer Vantage will hold 57.75% of our issued share capital. Accordingly, Ms. Bonnie Chan Woo and Explorer Vantage (the latter one being investment holding company) are our Controlling Shareholders. For details, please refer to the section headed “Relationship with our Controlling Shareholders” in this prospectus.

PRE-IPO INVESTMENTS

On 22 June 2013, Hertford Global, Icicle Group and GL, the holding company of our Group prior to the Reorganisation, entered into a subscription and shareholders’ agreement, pursuant to which Icicle Group agreed to issue and allot to Hertford Global and Hertford Global agreed to subscribe for 15 fully-paid shares of Icicle Group, representing 15% of the entire issued share capital of Icicle Group immediately upon completion of such subscription for a total cash consideration of HK\$7.2 million.

As part of the Reorganisation, Icicle Group and Hertford Global entered into another subscription agreement on 22 December 2016, pursuant to which Icicle Group agreed to issue and allot to Hertford Global and Hertford Global agreed to subscribe for 1,177 fully-paid shares of Icicle Group, representing approximately 9.4% of the entire issued share capital of Icicle Group immediately upon completion of such subscription for a total cash consideration of approximately HK\$3.8 million.

Immediately following completion of the Capitalisation Issue and the Share Offer, Hertford Global will hold approximately 17.25% of the total issued share capital of our Company. Hertford Global is wholly owned by Mr. Evan Chow, our non-executive Director and our substantial

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Shareholder. Please refer to the sections headed “History, Reorganisation and corporate structure — Pre-IPO investments” and “Directors and senior management” in this prospectus for further details of Mr. Evan Chow, Hertford Global and such pre-IPO investments.

DIVIDEND

For the two years ended 31 December 2016 and the five months ended 31 May 2017, our Group declared dividends of nil, approximately HK\$9.5 million and HK\$15.0 million, respectively, out of our distributable profits during the relevant period. All dividends have been paid, including an interim dividend of HK\$15.0 million for the five months ended 31 May 2017, of which HK\$3.0 million had been paid and settled by cash on 5 April 2017 and the remaining sum have been fully paid in cash by our Group prior to the Listing.

Our Directors intend to strike a balance between maintaining sufficient capital to grow our business and rewarding our Shareholders. After completion of the Share Offer, our Shareholders will be entitled to receive dividends only when declared by our Directors. Our Directors currently intend to pay annual cash dividend of 10% to 30% of the profit after tax of our Company for the applicable year for the period up to the year ending 31 December 2019. However, the declaration of future dividends will be subject to our Directors’ discretion and will depend on, among other things, our earnings, cash flow, financial condition, capital requirements, statutory reserve requirements and any other factors our Directors may consider relevant. The amount of dividend will be determined upon the completion of financial audit and will be referred to distributable profits shown on audited financial report. As a result, there can be no assurance that our Group will achieve profit or any particular dividend amount or any dividend at all, will be declared and paid in the future. The dividends distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future.

OFFER STATISTICS

	<u>Based on the Offer Price of HK\$0.60 per Offer Share</u>	<u>Based on the Offer Price of HK\$0.48 per Offer Share</u>
Market capitalisation of our Shares ^(Note 1)	HK\$288,000,000	HK\$230,400,000
Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share ^(Note 2)	HK\$0.17	HK\$0.14

Notes:

1. The calculation of market capitalisation is based on 480,000,000 Shares expected to be in issue immediately after completion of the Capitalisation Issue and the Share Offer (without taking into account Shares that may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme or bought back by our Company pursuant to the general mandates for the allotment and issue or buy-back Shares).

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2. The statement of unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share has been arrived at after the adjustments as referred to under the paragraph headed “Unaudited pro forma statement of adjusted consolidated net tangible assets” in Appendix II to this prospectus and on the basis of 480,000,000 Shares in issue at the respective Offer Price of between HK\$0.60 and HK\$0.48 per Share immediately after completion of the Capitalisation Issue and the Share Offer (without taking into account Shares that may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme or bought back by our Company pursuant to the general mandates for the allotment and issue or buy-back Shares).

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, save for the non-recurring listing expenses as disclosed above, up to the date of this prospectus, there had been no material adverse change in the financial or trading position of our Group after 31 May 2017 (being the latest reporting date of the Accountants’ Report in Appendix I to this prospectus) and there has been no occurrence of any event after 31 May 2017 which would materially affect the information shown in the Accountants’ Report in Appendix I to this prospectus.

DEFINITIONS

In this prospectus, the following expressions have the following meanings, unless the context otherwise requires:

“affiliate(s)”	any other person(s), directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Accountants’ Report”	the accountants’ report included in Appendix I to this prospectus
“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s), GREEN Application Form(s) and PINK Application Form(s) or, where the context so requires, any of them to be used in connection with the Public Offer
“Articles” or “Articles of Association”	the amended and restated articles of association of our Company, adopted on 16 November 2017, which will take effect on the Listing Date, and as amended from time to time, a summary of which is set out in the paragraph headed “2. Articles of Association” in Appendix III to this prospectus
“associate(s)” or “close associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board” or “our Board”	our board of Directors
“Business Day”	any day (other than a Saturday, a Sunday or a public holiday) on which licensed banks in Hong Kong are generally open for normal banking business to the public
“BVI”	the British Virgin Islands
“Capitalisation Issue”	the issue of 359,999,900 Shares to be made upon capitalisation of certain sum standing to the credit of the share premium account of our Company as referred to in the paragraph headed “A. Further information about our Company and our subsidiaries — 3. Written resolutions of our Shareholders passed on 16 November 2017” in Appendix IV to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant

DEFINITIONS

“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“Company”, “our Company”, “us” or “we”	Icicle Group Holdings Limited (冰雪集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 20 January 2017
“Co-Lead Managers”	Success Securities Limited, Sincere Securities Limited and Grand View Securities Limited, appointed as the co-lead managers of the Share Offer
“Companies Law”	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), which came into effect on 3 March 2014 as amended, supplemented or otherwise modified from time to time
“Companies (Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Registry”	the Companies Registry of Hong Kong
“Compliance Adviser”	Ballas Capital Limited
“Confirmatory Deed”	a confirmatory deed dated 26 July 2016 entered into between Mr. Chan and Ms. Bonnie Chan Woo, confirming, among other things, Mr. Chan’s retirement and succession plan, for details please refer to the paragraph headed “History, Reorganisation and corporate structure — Group structure prior to the Reorganisation” in this prospectus
“connected person(s)” or “core connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules

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“Controlling Shareholder(s)”	has the same meaning ascribed thereto under the GEM Listing Rules and, in the context of this prospectus, means Explorer Vantage and Ms. Bonnie Chan Woo
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules
“Deed of Indemnity”	the deed of indemnity dated 16 November 2017 and entered into by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for each of our subsidiaries), particulars of which are set out in the paragraph headed “D. Other information — 2. Tax and other indemnities” in Appendix IV to this prospectus
“Deed of Non-competition”	the deed of non-competition dated 16 November 2017 entered into between our Controlling Shareholders and our Company (for ourselves and as trustee for each of our subsidiaries), particulars of which are set out in the paragraph headed “Relationship with our Controlling Shareholders — Deed of Non-competition” in this prospectus
“Director(s)” or “our Director(s)”	the director(s) of our Company
“Eligible Employees”	all full-time employees (as defined under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong)) of our Group who have joined our Group on or before the Latest Practicable Date and have a Hong Kong address (other than the chief executive or directors of our Company or its subsidiaries, existing beneficial owners of the Shares or any of their respective associates and any other connected persons of our Company)
“Employee Preferential Offering”	the offer of up to 1,200,000 Public Offer Shares to Eligible Employees as described in the paragraph headed “Structure and conditions of the Share Offer — Employee Preferential Offering” in this prospectus
“Employee Reserved Shares”	the 1,200,000 Public Offer Shares (representing 1% of the Offer Shares initially available under the Share Offer) available in the Employee Preferential Offering and which are to be allocated out of the Public Offer Shares

DEFINITIONS

“Explorer Vantage”	Explorer Vantage Limited, a company incorporated in the BVI on 13 June 2016, which is wholly owned by Ms. Bonnie Chan Woo, our chief executive officer, executive Director and a Controlling Shareholder
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“GL”	Gooseberries Limited (formerly known as Esource Services Limited from 8 March 2000 to 9 February 2012 and Icicle Holdings Limited (冰雪控股有限公司) from 10 February 2012 to 19 March 2017), a company incorporated in Hong Kong on 8 March 2000. GL owned 75% of Icicle Group before the Reorganisation
“GREEN Application Form(s)”	the application form(s) to be completed by the HK eIPO White Form Service Provider
“Group”, “our Group”, “we” or “us”	our Company together with our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were our subsidiaries at the relevant time
“Hertford Global”	Hertford Global Limited, a company incorporated in the BVI on 21 May 2013, which is wholly owned by Mr. Evan Chow, our non-executive Director and our substantial Shareholder
“HK eIPO White Form”	the application of Public Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website at www.hkeipo.hk
“HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company, as specified on the designated website of www.hkeipo.hk
“HKFRSs”	Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Participant”	a participant who has been duly registered as a clearing participant of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Government”	the Government of Hong Kong
“Hong Kong dollar(s)” or “HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong Share Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar of our company
“Icicle Beijing”	北京冰雪品牌管理有限公司 (Beijing Icicle Brand Management Company Limited*) (formerly known as 北京冰雪印刷諮詢有限公司 (Beijing Icicle Printing Consulting Company Limited*) from 31 July 2008 to 23 September 2014), a limited liability company established in the PRC on 31 July 2008 and an indirect wholly-owned subsidiary of our Company
“Icicle Group”	Icicle Group Limited (冰雪集團有限公司), a company incorporated in the BVI on 29 May 2013 and a direct wholly-owned subsidiary of our Company upon completion of the Reorganisation
“Icicle Print Management”	Icicle Print Management Limited (冰雪印刷管理有限公司) (formerly known as Icicle Print Management Limited from 8 November 2007 to 17 September 2008), a company incorporated in Hong Kong on 8 November 2007 and an indirect wholly-owned subsidiary of our Company
“Icicle Production”	Icicle Production Company Limited (冰雪製作有限公司) (formerly known as Great Asia Enterprises Limited (巨亞企業有限公司) from 23 April 1991 to 20 November 1995), a company incorporated in Hong Kong on 23 April 1991 and an indirect wholly-owned subsidiary of our Company

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“Independent Third Party(ies)”	individual(s) or company(ies) who or which is or are independent of and not connected with (within the meaning of the GEM Listing Rules) any of our Directors, chief executive or substantial shareholders of our Company or our subsidiaries or any of their respective associates
“Ipsos”	Beijing Ipsos Market Consulting Company Limited Shanghai 2nd Branch, an industry consultant engaged by our Company to prepare the Ipsos Report and an Independent Third Party
“Ipsos Report”	the industry report prepared by Ipsos and commissioned by our Company
“Joint Lead Managers”	President Securities (Hong Kong) Limited and Bluemount Securities Limited, appointed as the joint lead managers of the Share Offer
“Latest Practicable Date”	18 November 2017, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information in this prospectus
“Listing”	the listing of our Shares on GEM by way of Share Offer
“Listing Date”	the date on which dealings in our Shares first commence on GEM, which is expected to be on or around 8 December 2017
“Listing Division”	the Listing Department of the Stock Exchange
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company, adopted on 16 November 2017, which will take effect on the Listing Date, and as amended from time to time, a summary of which is set out in the paragraph headed “1. Memorandum of Association” in Appendix III to this prospectus
“Mr. Chan”	Chan Wing Pak Alexander Benjamin (陳永柏), the founder of our Group and the father of Ms. Bonnie Chan Woo, our chief executive officer, an executive Director and a Controlling Shareholder
“Mr. Evan Chow”	Chow Sai Yiu Evan (周世耀), a non-executive Director and a substantial Shareholder

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“Ms. Bonnie Chan Woo”	Woo Chan Tak Chi Bonnie (胡陳德姿), the chairperson of the Board, the chief executive officer, an executive Director and a Controlling Shareholder of our Company
“NTD” or “NT Dollar(s)”	New Taiwan dollars, the lawful currency of Taiwan
“NewspaperDirect”	NewspaperDirect Limited, a company incorporated in Hong Kong on 21 January 2008, which is owned by Mr. Darrin Woo, the spouse of Ms. Bonnie Chan Woo, as to 51%, and thus it is a connected person of our Company
“Offer Price”	the final offer price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), at which the Offer Shares are to be subscribed pursuant to the Share Offer, which will not be more than HK\$0.60 and is currently expected to be not less than HK\$0.48 and to be agreed upon by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on or before the Price Determination Date
“Offer Shares”	the Placing Shares and Public Offer Shares (including the Employee Reserved Shares)
“OFL”	Omelas Foundation Limited (formerly known as Icicle Foundation Limited from 20 June 2006 to 19 March 2017), a company incorporated in Hong Kong on 20 June 2006
“Papercom”	Papercom Limited (枇杷襟印刷有限公司) (formerly known as Bright Summit International Limited (溢矜國際有限公司) from 24 March 1997 to 14 April 1998), a company incorporated in Hong Kong on 24 March 1997, which is indirectly wholly-owned by Ms. Bonnie Chan Woo
“PINK Application Form(s)”	the application form(s) for use by Eligible Employees to subscribe for Employee Reserved Shares pursuant to the Employee Preferential Offering
“Placing”	the conditional placing of the Placing Shares by the Underwriters on behalf of our Company with professional, institutional and/or other investors in Hong Kong for cash at the Offer Price, as further described in the section headed “Structure and conditions of the Share Offer” in this prospectus

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“Placing Shares”	108,000,000 new Shares initially offered by our Company for subscription pursuant to the Placing (subject to re-allocation as described in the section headed “Structure and conditions of the Share Offer” in this prospectus)
“Placing Underwriters”	the underwriters of the Placing, who are expected to enter into the Placing Underwriting Agreement to underwrite the Placing
“Placing Underwriting Agreement”	the conditional underwriting agreement relating to the Placing and to be entered into on or about the Price Determination Date by, among others, our Company, the executive Director, the Controlling Shareholders, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Placing Underwriters, particulars of which are summarised in the section headed “Underwriting” in this prospectus
“PRC” or “China”	the People’s Republic of China, and for the purpose of this prospectus and unless otherwise indicated, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Legal Advisers”	King & Wood Mallesons, being the legal advisers to our Company as to PRC law
“Predecessor Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) prior to its repeal and replacement on 3 March 2014 by the Companies Ordinance and the Companies (Miscellaneous Provisions) Ordinance
“Price Determination Agreement”	the agreement expected to be entered into between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on the Price Determination Date to record and determine the Offer Price
“Price Determination Date”	the date expected to be on or about 1 December 2017 or such later date as may be agreed between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on which the Offer Price will be fixed for the purpose of the Share Offer

DEFINITIONS

“Public Offer”	the conditional offer to the public in Hong Kong for subscription of the Public Offer Shares at the Offer Price, on and subject to the terms and conditions stated in this prospectus and in the Application Forms, details of which are described in the section headed “Structure and conditions of the Share Offer” in this prospectus and the related Application Forms
“Public Offer Shares”	the 12,000,000 new Shares initially offered by our Company for subscription pursuant to Public Offer (subject to re-allocation as described in the section headed “Structure and conditions of the Share Offer” in this prospectus)
“Public Offer Underwriters”	the underwriters of the Public Offer whose names are set forth in the paragraph headed “Underwriting — Underwriters — Public Offer Underwriters” in this prospectus
“Public Offer Underwriting Agreement”	the conditional underwriting agreement dated 24 November 2017 relating to the Public Offer and entered into by, among others, our Company, the executive Director, the Controlling Shareholders, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Co-Lead Managers and the Public Offer Underwriters, particulars of which are summarised in the section headed “Underwriting” in this prospectus
“Reorganisation”	the corporate reorganisation arrangement undergone by our Group in preparation for the Listing, details of which are set out in the paragraph headed “History, Reorganisation and corporate structure — Overview of the Reorganisation” in this prospectus
“RMB”	Renminbi, the lawful currency of PRC
“Rules of CCASS”	the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time
“SAFE”	中華人民共和國國家外匯管理局 (the State Administration of Foreign Exchange in the PRC) or its competent local branches
“SAIC”	中華人民共和國國家工商行政管理總局 (the State Administration for Industry and Commerce of the PRC)
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of our Company
“Share Offer”	the Placing and the Public Offer
“Share Option Scheme”	the share option scheme conditionally approved and adopted by our Company on 16 November 2017, the principal terms of which are summarised in the paragraph headed “D. Other information — 1. Share Option Scheme” in Appendix IV to this prospectus
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Sole Bookrunner”	President Securities (Hong Kong) Limited, appointed as the sole bookrunner of the Share Offer
“Sole Sponsor”	Success New Spring Capital Limited (實德新源資本有限公司), a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, appointed as the sole sponsor to the Listing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Studio SV”	Studio SV Limited is a company incorporated in Hong Kong on 22 May 2017, which is owned as to 50% by Explorer Vantage and thus indirectly owned by Ms. Bonnie Chan Woo, and is a connected person of our Company
“subsidiary(ies)”	has the same meaning ascribed thereto under the GEM Listing Rules
“substantial shareholder(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the two financial years ended 31 December 2016 and the five months ended 31 May 2017
“Underwriter(s)”	the Public Offer Underwriters and the Placing Underwriters

DEFINITIONS

“Underwriting Agreements”	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
“U.S.A.” or “United States”	the United States of America, including its territories and possessions
“US\$”	United States dollars, the lawful currency of the United States of America
“WHITE Application Form(s)”	the application form(s) for use by the public who require(s) such Public Offer Shares to be issued in the applicant’s or applicant’s own name(s)
“Win Win Media”	定贏傳媒股份有限公司 (Win Win Media Co. Ltd*), a company established in Taiwan on 28 December 2009 and was previously owned as to approximately 73.8% by Icicle Production. Win Win Media was subsequently disposed of to three Independent Third Parties, details of which are set out in the paragraph headed “History, Reorganisation and corporate structure — Disposal of interests in a subsidiary” in this prospectus
“YELLOW Application Form(s)”	the application form(s) for use by the public who require(s) such Public Offer Shares to be deposited directly into CCASS
“%”	per cent.

* *The English names of the PRC and Taiwan entities mentioned in this prospectus are translations from their Chinese names. If there is any inconsistency, the Chinese names shall prevail.*

Unless expressly stated or the context requires otherwise in this prospectus:

- *all dates and times refer to Hong Kong time;*
- *all information is as at the Latest Practicable Date;*
- *certain monetary amount and percentage figures have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them; and*
- *amounts denominated in RMB, NTD and US dollars have been converted into Hong Kong dollars, for the purpose of illustration only, at the rates of RMB1:HK\$1.12, NTD1:HK\$0.24 and US\$1:HK\$7.76, respectively. No representation is made that any amounts in RMB, NTD or US\$ can be or could have been converted at the relevant dates at the above rates or any other rates or at all.*

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanation of certain terms and definitions used in this prospectus in connection with our business and operations. The terms and their meanings may not correspond to the standard industry meanings or usage of those terms.

“above-the-line creative”	advertising through channels which reaches a large number of audiences
“app(s)”	software application(s) that can be downloaded and operated on computing devices, usually mobile devices such as mobile phones and tablet computers
“brand owner(s)”	organisation(s) which own(s) the brand(s) and the related ancillary intellectual property rights
“CAGR”	compound annual growth rate
“cross media”	the overall marketing concepts and ideas and the development of art and design concepts and ideas across physical media and digital media
“digital media”	media that are encoded in a machine-readable format, which can be created, viewed, distributed, modified and preserved on computers. Examples include websites, apps, mobile sites, social media platforms and search engines
“Internet”	an interconnected system of networks that connects computers around the world and is publicly accessible. The Internet allows multimedia documents to be shared among computer users. Popular features of the Internet include, among other things, e-mails, blogs, discussion groups (such as online discussion sites), on-line conversations, websites, mobile sites, portals and social media platforms
“marketing production”	the people, process and technology deployed against the development, production and distribution of marketing materials. It consists of a chain of process, including creation, production, warehousing, order management and feedback and a chain of suppliers that an organisation relies on to produce marketing materials which often made up of partners inside and outside of the organisation, such as brand managers, marketing services, agencies, direct sales teams, buyers, printers, fulfillment houses and many others. The management of marketing production is the management of the above production process in the production of marketing materials

GLOSSARY OF TECHNICAL TERMS

“original content production”	the act of producing motion contents based on ideas and concepts originated in-house
“physical media”	include printed and packaging materials, visual merchandising, retail displays and venue decoration
“social media engagement data”	data extracted from social media platforms that is tracked by brands to measure the performance of their social media contents in terms of generating reaction or interactivities with the audience and online community and in turn drive actual business results, such as brand recognition, online transactions or redemption of digital coupons, etc. Social media engagement data may include ‘likes’, ‘comments’, ‘shares’ and ‘mentions’ amongst others
“social media influencer”	a social medial influencer, also known as key opinion leader (KOL), is a user on social media who has established credibility in a specific industry or product category, who has access to a large audience and can persuade others by virtue of their authenticity and reach. They may include celebrities, industry leaders, bloggers, active members on a social media platform and so forth
“social media platform(s)”	online service platform(s) or site(s) that focus(es) on building of social networks or social relations among people, especially those who share common interests and/or activities and content sharing platforms
“website(s)”	a collection or collections of world wide web files which are linked together by a website operator which, for the purposes of this prospectus only, includes portal. Portal is a website that functions as an entry point to other websites, often by being or providing access to a search engine, news, information, etc. A portal presents information from diverse sources in a unified way

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including, without limitation, those regarding our future financial position, our strategies, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “anticipate”, “believe”, “expect”, “could”, “estimate”, “project”, “aim”, “intend”, “may”, “ought to”, “plan”, “consider”, “seek”, “should”, “would”, “will” or similar expressions or the negative of these words or other similar expressions or statements, are forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

These forward-looking statements are based on various assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievement to differ materially from those in the forward-looking statements include, among others, the following:

- future development, trends and conditions in the industry and markets in which we operate;
- expansion, consolidation or other trends in the industry and markets in which we operate;
- regulations and restrictions that may affect the industry and markets in which we operate;
- our strategies, plans, objectives and goals;
- exchange rate fluctuations and the developing legal system, in each case pertaining to Hong Kong and the PRC and the industry and markets in which we operate;
- macroeconomic measures taken by the Hong Kong government, the PRC government or governments of other relevant countries or territories in which we may operate our business to manage economic growth;
- our business prospects;
- changes in general political and economic conditions in Hong Kong, the PRC or other relevant countries or territories that may be detrimental to the industry in which we operate;
- competition for our business activities and the actions and development of our competitors;
- our financial condition and performance;

FORWARD-LOOKING STATEMENTS

- our dividend policy;
- changes to our expansion plans and use of capital expenditures;
- realisation of benefits of our future plans and strategies;
- catastrophic losses from fires, floods, windstorms, earthquakes, diseases or other adverse weather conditions or natural disasters; and
- other factors beyond our control.

We believe that the sources of information and assumptions contained in such forward-looking statements are appropriate sources for such statements and have taken reasonable care in extracting and reproducing such information and assumptions. We have no reason to believe that information and assumptions contained in such forward-looking statements are fake or misleading or that any fact has been omitted which would render such forward-looking statements fake or misleading in any material respect.

The information and assumptions contained in the forward-looking statements have not been independently verified by us, our Directors, our Controlling Shareholders, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Co-Lead Managers, the Underwriter(s), any other party involved in the Share Offer or their respective directors, officers, employees, advisers or agents, and no representation is given as to the accuracy or completeness of such information or assumptions on which the forward-looking statements are based. Additional factors that could cause actual performance or achievement of our Group to differ materially include, but are not limited to, those discussed under the section headed “Risk factors” and elsewhere in this prospectus.

These forward-looking statements are based on current plans and estimates, and apply only as of the date they are made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statement. Accordingly, prospective investors should not place undue reliance on any forward-looking information. All forward-looking statements contained in this prospectus are qualified with reference to cautionary statements set out in this section.

In this prospectus, statements of or references to our intentions or those of any of our Directors are made as at the date of this prospectus. Any such intentions may change in light of future development.

RISK FACTORS

Prospective investors should carefully consider all of the information in this prospectus including the risks and uncertainties described below before making an investment in the Offer Shares. Prospective investors should pay particular attention to the fact that the legal and regulatory environment of Hong Kong may differ in some respects from that prevailing in other countries. The business, financial condition or results of operation of our Group could be materially and adversely affected by any of these risks and uncertainties. The trading price of our Shares could decline due to any of these risks and uncertainties, and prospective investors may lose all or part of their investment.

RISKS RELATING TO THE OPERATION OF OUR GROUP

If we fail to attract, recruit or retain our project managers and creative designers, our ongoing operations and growth could be adversely affected

As our Group operates in a highly competitive industry with intense competition for experienced project managers and creative designers, our Directors are of the view that the ability to recruit and retain experienced staff is crucial to the stability and expansion of our operations. As at 31 December 2015, 31 December 2016 and 31 May 2017, our staff turnover rates were approximately 34.0%, 28.0% and 6.1%, respectively. During the Track Record Period, we were generally able to find a replacement for our project managers or creative designers, on average, in 75 days, 33 days and 78 days, respectively when a vacancy had arisen. As at the Latest Practicable Date, our Directors are of the view that there were no unfilled vacancies of project manager and creative designer. However, there is no assurance that our employees will continue their employment with our Group. If we cannot find any replacement in a timely manner for the loss of any of these employees, it could be detrimental to our ongoing operations. Our success will also depend on our ability to attract and retain qualified personnel in order to manage our existing operations as well as our future growth. We may not be able to offer competitive remuneration packages and recruit and retain staff at commercially reasonable levels. If we could not successfully attract, recruit or retain key personnel, this could adversely impact our growth.

We may be reliant on major clients and may not be able to maintain business relationships with them

For the two years ended 31 December 2016 and the five months ended 31 May 2017, our largest client accounted for approximately 22.6%, 22.6% and 25.9% of our revenue from continuing operation, respectively. For the two years ended 31 December 2016 and the five months ended 31 May 2017, our top five largest clients in aggregate contributed approximately 58.4%, 60.2% and 61.9% of our revenue from continuing operation, respectively. There is no guarantee that such clients will continue their business with us. Should they decide to choose our competitors and terminate their business relationships with us, our financial conditions, profitability and performance may be adversely affected. In addition, there is no assurance that we can find other new clients who would engage our services with comparable level of revenue or at all should we lose any of our major clients.

RISK FACTORS

Our Group may incur substantial loss when we commence a new business during the startup period or unforeseen factors may adversely affect our financial performance arise from a new business

As set out in more details in the section headed “Future plans and use of proceeds” of this prospectus, we intend to, among others, extend our scope of service upstream to provide strategic brand development to our clients and launch the service of original content production. We have traditionally not been engaged in these lines of businesses and have little or no expertise and experience in operating them. The success of a new business is subject to numerous factors such as the availability of adequate professional marketing production team and financial resources, our ability to hire, train and retain skilled personnel to manage the new business, market demand and clients’ acceptances for our new services.

Further, we may fail to anticipate and adapt to the competitive conditions in these new lines of businesses that are different from those in our existing line of business or change from time to time. Accordingly, we may incur substantial loss when we commence new business during startup period or unforeseen factors may affect our financial performance arise from new business. If we encounter any difficulty in implementing our new line of business, we may not be able to recover the costs incurred for implementing the new line of business, accordingly our growth prospects may be adversely affected, which could in turn have a material adverse effect on our business, financial condition and results of operations.

Our business depends on our ability to maintain our existing relationship with brand owners and our ability to attract new brand owners to engage us for our marketing production services

We provide marketing production services to a diversified clientele including financial institutions and insurance companies, retail brands, luxury brands and other corporate brand owners. Our ability to continue to grow our revenue and profit will depend largely on expanding our business with our existing clients and attracting new ones. We rely on our reputation in the industry to attract brand owners to engage us. We cannot guarantee that our services will remain attractive to them. The number of our existing clients may not expand further and may even decline. We also cannot guarantee that we would secure new clients to engage us for our marketing production services. If we are unable to maintain or attract new clients for our marketing production services, our revenue will decrease and our operating results will be adversely affected.

We may be subject to significant increase in the cost of our business operations

The key costs of our business operations during the Track Record Period included employee benefit expenses, outsourced project costs and materials and consumables. Our Group’s financial performance may be adversely affected by increasing staff costs. During the Track Record Period, employee benefit expenses from continuing operation accounted for approximately 22.7%, 21.7% and 24.0% for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively, of the total operating expenses from continuing operation of our Group. To maintain our competitiveness, it is necessary to retain competent and talented employees. With the

RISK FACTORS

continuous growth of the Hong Kong and the PRC economies, there has been an upward trend in the compensation level in the industry that we operate our business in. However, there is no guarantee of the continuous competitiveness of our salary level. Should our compensation level fail to keep up with our competitors, current or potential competent employees may choose to join our competitors. In such event, our Group may fail to maintain the current or a satisfactory quality of services to meet the needs of our clients. In addition, the increasing costs of compensation and benefits will impose a greater financial burden on our Group and, accordingly, our financial and operational performance may be adversely affected.

We engaged third party service providers for, among other things, printing works during the Track Record Period. For the two years ended 31 December 2016 and the five months ended 31 May 2017, printing costs from continuing operation amounted to approximately HK\$23.7 million, HK\$26.6 million and HK\$6.6 million, representing approximately 77.3%, 83.5% and 85.0% of our outsourced project costs from continuing operation, respectively. For the two years ended 31 December 2016 and the five months ended 31 May 2017, costs on paper supply from continuing operation amounted to approximately HK\$11.8 million, HK\$9.7 million and HK\$3.0 million, representing approximately 92.4%, 87.4% and 79.5% of our costs on materials and consumables from continuing operation, respectively. In the event of any substantial increase in printing costs and paper costs, and we are unable to secure alternative service providers or pass on such increased costs to our clients, we may not be able to maintain our profit margin and competitiveness and our operating results and financial conditions may be adversely and materially affected.

Our profitability may be adversely affected by increasing rent and requirement of space

As at the Latest Practicable Date, we leased or were licensed to occupy two office premises in Hong Kong and one office premises in the PRC. Our property rentals were approximately HK\$2.7 million, HK\$3.1 million and HK\$1.3 million for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively. Our Directors believe that the rental costs for our office premises in Hong Kong and the PRC may continue to increase in general. Further, the current tenancy agreements for our office premises in Hong Kong will expire in April 2018 and March 2021, respectively. There is no guarantee that our Group will be able to renew the current tenancies of the premises when they expire, or we can negotiate an acceptable and favourable leasing arrangement for the renewed terms. We may not be able to find a new space that fits our requirements at the current rental rate and be subject to increase in rental fees. Any increase in rental expenses may have a significant impact on the financial performance of our Group. In addition, we may have to incur additional costs for relocation and renovation.

We may be subject to termination of the current tenancies and be required to relocate our office premises

As at the Latest Practicable Date, our Group leased or were licensed to occupy two office premises located in Quarry Bay and North Point, Hong Kong from Independent Third Parties. We currently occupy our office premises located in North Point, Hong Kong, as a licensee pursuant to a licence agreement dated 9 August 2017, which will expire on 14 March 2018. We have also entered into an offer to lease dated 9 August 2017 with the landlord for the same premises for a term

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commencing from 15 March 2018 until 14 March 2021, with an option to renew for a further period of three years expiring on 14 March 2021. Given that we currently occupy the office premises as a licensee, we do not have an interest in land. In the event that the landlord terminates the licence for any reasons whatsoever, we can only seek damages but not in occupation of the property. There is also no guarantee that the landlord will enter into a formal tenancy agreement with us, in such event, we could only apply to court to seek specific performance for the landlord to enter into the tenancy with us. Further, the licence agreement is non-registrable and the offer to lease is registrable but our Group has failed to register the same due to an expressed prohibition against registration by us contained in the offer to lease. Any failure of registration of the offer to lease may result in the option to renew for a further period of three years being unenforceable against third parties.

In the event that our Group is required to relocate any of our office premises as a result of an early termination of the licence agreement by the landlord for any reasons whatsoever and/or refusal to enter into a formal tenancy; or our Group's right to lease the office for a further period of three years after the expiration of the initial term being unenforceable against third parties as a result of non-registration of the same in respect of our office premises in North Point, we may not be able to find a new space that fits our requirements at the current rental rate and may have to incur additional costs for relocation and renovation. Our business operations will also be temporarily interrupted to prepare for the relocation and renovation. Accordingly, our financial conditions may be adversely and materially affected.

Please refer to the paragraph headed "Business — Properties" in this prospectus for further details.

We rely on the experience and skills of our key management personnel

To a significant extent, our success is attributable to the experience and expertise of our management personnel. Ms. Bonnie Chan Woo, the chairperson of the Board, the chief executive officer and an executive Director of our Company, together with our senior management, have been playing significant roles in different parts of our day-to-day operation and management. Our executive Director, Ms. Bonnie Chan Woo, has entered into a service contract with our Company for an initial period of three years commencing on the Listing Date. For more detailed information on our Directors and senior management, please refer to the paragraph headed "Directors and senior management" in this prospectus. Should any such major member of our management team leave our Group and should we fail to find suitable replacement within a reasonable period, our Group's management, operation and business results may be adversely affected.

We recorded a negative cash flow from our operating activities for the five months ended 31 May 2017

For the five months ended 31 May 2017, we recorded a negative cash flow from our operating activities of approximately HK\$9.2 million which was mainly attributable to the (i) loss before tax from continuing operation of approximately HK\$3.1 million due to the incurrence of listing expenses in the amount of approximately HK\$6.4 million; (ii) the adjustments for amortisation of

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intangible assets and depreciation of property, plant and equipment for the amount of approximately HK\$0.3 million and HK\$0.4 million respectively; (iii) the increase in trade and other receivables, deposits and prepayments in the amount of approximately HK\$3.9 million which was due to the increase in prepayment of listing expenses of approximately HK\$1.2 million, the rental deposit paid to the landlord of our office in Quarry Bay, Hong Kong for the new tenancy agreement signed during the five months ended 31 May 2017 of approximately HK\$1.1 million and the increase in prepayment of project costs of approximately HK\$1.1 million; (iv) the decrease in the trade and other payables, accruals and deposits received in the amount of approximately HK\$3.7 million due to the reduction of procurement cost as a result of the decrease in revenue from the physical media production and management ;and (v) the increase in the inventory balance due to the purchase of inventories from celebratethemakers Limited during the five months ended 31 May 2017. Please refer to the paragraph headed “Financial information — Cash flows — Net cash generated from/ (used in) operating activities” in this prospectus for more details. We may continue to experience negative operating cash flows in the future as a result of our business operations and expansion. Although our Directors considered that our Company will have sufficient working capital to meet our present requirement for at least 12 months commencing from the date of this prospectus, we cannot assure you that we will not experience another period of negative cash flow from our operating activities in the future.

We may be subject to foreign currency fluctuations

For the two years ended 31 December 2016, we incurred exchange loss from continuing operation of approximately HK\$63,000 and HK\$0.6 million, respectively, representing approximately 1.9% and 13.8% of our other operating expenses from continuing operation, respectively, and an exchange gain from continuing operation of approximately HK\$80,000 for the five months ended 31 May 2017, representing approximately 16.8% of our other income and gains from our continuing operation. The increase in exchange loss from continuing operation in 2016 was mainly due to the depreciation of the British Pound in our bank account during the period. Our Group is exposed to foreign currency risk related primarily to the operations giving rise to bank balances that are denominated in US\$, British Pound and RMB. Our Group converted approximately HK\$6.5 million into US\$ in 2014. This was due to our Group’s commercial decision in deliberately converting most of our idle bank balances from HK\$ into US\$ to avoid any risk of devaluation of HK\$ or any volatility between HK\$ and US\$ at the time of the Umbrella Movement in Hong Kong in 2014 when we had concerns as to the sustainability of HK\$ remaining pegged with US\$ in view of Hong Kong’s growing integration with China. This conversion into US\$ was one off and not recurrent. Additional US dollars were accumulated by our Group from ordinary course of business as we received amounts from clients and bank interest income. Our Group currently does not have a foreign currency hedging policy. Should there be any further fluctuation due to the changes in foreign exchange rates, our profitability and financial position will be materially and adversely affected.

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Our historical revenue and profit during the Track Record Period may not be indicative of our future financial performance

We experienced growth in our revenue and profitability during the Track Record Period and we plan to sustain the growth momentum of our business. Our revenue from continuing operation increased by approximately 6.2% from approximately HK\$85.7 million in the year ended 31 December 2015 to approximately HK\$91.0 million in the year ended 31 December 2016. Our revenue from continuing operation decreased by approximately 13.5% from approximately HK\$32.7 million for the five months ended 31 May 2016 to approximately HK\$28.3 million for the five months ended 31 May 2017. On the other hand, profit after tax for the year from continuing operation increased by approximately 36.9% from approximately HK\$6.7 million for the year ended 31 December 2015 to approximately HK\$9.1 million for the year ended 31 December 2016. Our loss after tax from continuing operation was approximately HK\$3.8 million for the five months ended 31 May 2017.

There is an inherent risk to project or estimate our future financial performance based on our historical financial information as it only reflects our past performance under particular conditions. We may not be able to maintain our historical growth rate, revenue and profit margin in the future for various reasons, including but not limited to, deteriorations in market conditions, more intensified competitions with industry players, failure in maintaining business relationships with existing customers or diversifying customer base, failure in implementing our future plans as anticipated, loss of key personnel, failure in finding suitable replacement, unpredictable and other unforeseen factors. There is no assurance that we will be able to achieve the same level of business performance as we did during the Track Record Period or even better business performance in the future. Investors should not rely on our historical financial information as an indication of our future financial or operating performance.

Risk of uncertainties in our expansion plan and hence our profitability

As set out in more details in the section headed “Future plans and use of proceeds” of this prospectus, a part of our expansion plan is to establish a data management team, to develop social media offering to cater for Chinese brands and to offer original content production services. In order to support the business expansion as described above, we intend to set up a studio by the end of 2019, expand and add equipments to a new office premises and hire 27 additional talents in total by end of 2019. Accordingly, our overall operating costs will increase substantially due to the anticipated higher rental and related cost, renovation and time cost in relation to the setting up of the studio and new office premises and the consequential increase in the number of employees. On the other hand, benefits to be generated from setting up such new studio and office premises, such as increase in revenue, may not be as significant as expected due to factors beyond our control, such as the general market conditions, the performance of the marketing production industry, and the economic and political environment in Hong Kong, the PRC and overseas. Such factors may cause a delay in realising the benefits of our expansion plan and hence, our financial results, in

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particular our profitability, may be adversely affected. In addition, there is also no assurance that our future plans will materialise, or be completed by the predetermined timeframe, or that our objectives will be fully or partially achieved.

Our Group may incur losses due to loss of or damage to the inventories owned by our clients who use our inventory and logistics management services

We offer marketing production services to our clients, who can outsource the entire marketing production function to us where we act as their external coordinator and project manager in taking charge of the overall marketing production function which may include design, production sourcing, inventory ordering and management, logistic arrangement, billing and collection management, reporting on effectiveness of the branding and marketing campaigns and the overall consultancy services. During the course of our services, we may encounter a loss of or damage to our client's inventories due to mishandling by our employees, which we are required to make good of. If we encounter any loss of or damage to our client's inventories which is attributable to the fault of our Group, we will need to incur costs to replace any shortfall of such inventories to our clients. Accordingly, our financial position may be adversely affected, which could in turn have a material adverse effect on our business, financial condition and results of operations.

If we fail to deliver branding materials and contents of such quality in terms of turnaround time, budget and specifications required by our clients, we could lose our clients and our revenue could decline

We offer our services to clients depending on their individual needs and branding objectives. In general, the branding objectives of a brand owner will be discussed prior to the commencement of a project and may be revised throughout the project, and our marketing production services may be fine-tuned with reference to feedback from clients. While the branding objectives are usually set out solely for reference purpose and are not guaranteed by us, our effectiveness in achieving the branding objectives is an important factor to assess our performance. As a result, we are expected to improve effectiveness of the brand by delivering cost effective services that can achieve the desired branding objectives. If our marketing production services are not able to achieve the desired branding objectives and we fail to deliver cross media branding materials and contents of such quality in terms of turnaround time, budget and specifications required by the brand owners, our relationships with clients, reputation and revenue will be adversely affected.

Our Group may be adversely affected by the losses or liabilities arising from leakage of confidential information and personal data in the course of the delivery of our services

Among other physical media production and management services, we provide confidential data printing and direct mailing services to end customers of our insurance clients who engage us for designing and creating printed materials. Therefore, our Group has routinely handled confidential information and personal data of the end customers of our clients. Our Group has adopted stringent procedures for all our employees to ensure strict adherence of confidentiality of our clients and to protect the integrity and confidentiality of the information and personal data that our Group handles. There is no assurance that the procedures can completely eliminate

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misstatement or leakage of confidential information and/or personal data of our clients and/or their end customers. If our Group experiences any leakage of confidential information or personal data of our clients and/or their end customers, our Group might be exposed to liabilities, such as complaints or claims, which may have an adverse impact on our financial position and reputation.

Failure to detect the infringing copy of any art work in respect of the use of materials submitted by our clients for artwork adaptations

Our Group may not be able to detect the infringing copy of any artwork in respect of the use of materials submitted by our clients for artwork adaptations fully or in a timely manner, which could expose our Group to liabilities for fines and other penalties and may affect our business. Since 2015, we have developed and maintained our self-developed project management information system known as “Icicle Hub” to better monitor the implementation of each stage of the marketing production services work flow of our projects. Our client who is assigned with an account can access the same not only to check the status of their project but they can also upload files or documents such as artwork requested by us to the “Icicle Hub” for our adaptations. There is no assurance that the artwork uploaded by our clients from time to time is not an infringing copy. To the extent that our Group fails to identify infringing copy of any artwork promptly, we may be sued by the artwork’s owners for infringement of intellectual property rights and we may be imposed fines and/or other penalties, which may significantly affect our business operations and financial results.

We are subject to immigration laws and policies that govern the employment of foreign nationals

We have a multi-cultural management team, some of them are foreign nationals employed by us. We are therefore subject to the applicable laws and regulations, especially the immigration laws and policies, in respect of our employment of these employees. As at the Latest Practicable Date, approximately 12.0% of the member of our strategy and business development team, project management team and marketing production team were foreigners.

We are required to comply with the conditions stipulated in work permits issued to these expatriates, and may be liable if we contravene such conditions. If we contravene the conditions stipulated in the work permits issued to our expatriates, such contravention may result in a statutory penalty or a ban on our applications and renewals of work permits for these expatriates. Such an event may materially and adversely affect our business and financial position.

We may be unable to implement our future plans and achieve our anticipated growth rate

We may not be able to sustain the growth of revenue and profitability as experienced by our Group during the Track Record Period. Our future business growth primarily depends on the successful implementation of our strategies and future plans as set out in the section headed “Future plans and use of proceeds” of this prospectus. We may not be able to achieve the anticipated growth and expansion of our operation due to factors which are beyond our control, such as changes in market demands. As such, there is no assurance that the future plans of our

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Group will materialise, or be completed by the predetermined timeframe, or that the objectives of our Group will be fully or partially achieved. Our business, profitability and financial conditions in the future may be materially and adversely affected.

In addition, the implementation of our strategies and plans may result in significant capital expenditures to be incurred by us, which may or may not be recoverable, and may divert management's attention from other business concerns.

Further, part of our expansion plan is to progressively develop our business in Beijing and Shanghai and to set up a new studio in Hong Kong by the end of 2019. If a new premises is leased, our Group's overall operating costs will increase substantially due to the anticipated high rental cost and the consequential increase in number of employees. Revenue to be generated from such new office premises may not be as expected due to factors beyond our control, such as the general market conditions and the economic and political environment in the relevant market locations. Such factors may cause a delay in reaping the benefits of our expansion plans and hence, our Group's financial results may be adversely affected.

Our Group may encounter cost overruns which may adversely affect the business and results of operations

Most of our contracts with our clients have a fixed and pre-determined fee throughout the contract period and generally do not permit any price adjustment. We generally fix our fees when we submit our quotations after carrying out internal costing and budgeting estimates of, among others, the staff cost, costs of relevant production materials, the prevailing market rate of similar services offered in the market and the relationship with our clients. Once the quotation has been agreed with our clients, we can only adjust our service in certain circumstances as stipulated in the contracts such as requests made by our clients for additional services or changes in specifications. Accordingly, we generally have to bear the risk of cost fluctuations. Therefore, cost management is critical in ensuring that a project meets its budgeted profit margin.

Most of our projects are for a duration of less than one month to one year. There is no assurance that the costs estimated at the beginning of a contract will not be exceeded during the course of the contract period. Cost overruns may result from inaccurate estimation of costs, increase in costs of materials and wages of our employees, as well as accidents and other unforeseen problems. As the execution of the project may commence within a couple of months subsequent to the date of quotation submission, there is a possibility that the actual prices obtained from our suppliers and subcontractors will be less favourable. The risk of cost overruns may also increase the duration of a project. If we are unable to keep our costs (including costs to be paid to our suppliers and subcontractors) within our original estimates, or the price adjustment mechanisms are not provided, or we are not able to fully cover the increases in costs, our business operations, financial results and profitability may be adversely affected.

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Our clients may delay in settlement of debts, which may result in a material adverse impact on our business, financial conditions and results of operations

As at 31 December 2015 and 2016 and 31 May 2017, our trade receivables amounted to approximately HK\$17.6 million, HK\$14.9 million and HK\$15.4 million, respectively, representing approximately 35.9%, 26.6% and 33.0% of our current assets, respectively. As at 31 December 2015 and 2016 and 31 May 2017, our overdue trade receivables amounted to approximately HK\$11.1 million, HK\$7.3 million and HK\$9.7 million, respectively, representing approximately 63.2%, 49.4% and 63.1% of our trade receivables, respectively. Our trade receivable turnover days were approximately 87 days, 65 days and 81 days for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively. The trade receivable turnover days during the Track Record Period were longer than our usual credit period of 30 days from the date of invoice and no clients had been granted a credit period of more than 60 days during the Track Record Period. There can be no assurance that our trade receivable turnover days will not increase in the future due to delayed settlement from our existing and/or new clients.

As a result, our business operations are subject to the risk of payment deferral by our clients. Our efforts in strengthening our trade receivables collection and management may be in vain and, there is no assurance that we will be able to fully recover the outstanding amounts due from our clients, if at all, or that our clients will settle the amounts in a timely manner. If settlements by our clients are not made in full or in a timely manner, our business, financial conditions and results of operations will be adversely affected.

We generally do not enter into long-term agreements with our clients. If we fail to retain existing clients or attract new clients, our revenue and profitability could be significantly reduced

Our revenue from continuing operation are derived from fees received by us for our provision of marketing production services which are on a project-by-project basis and are different in scope, size and complexity of services to our clients. Given that the revenue from continuing operation of our Group tends to be non-recurring in nature, the profitability of our Group is therefore somewhat unpredictable. The nature of our marketing production services also means the demand and scope for our services are dependent on the conditions of the consumer markets, which is in turn influenced by a variety of factors beyond our control. There is no assurance that our Group can continue to secure the same number of engagements for our services in the future, which may lead to potential fluctuations in the financial performance of our business.

Our success requires us to maintain our relationships with existing clients and to develop new relationships with potential clients. We generally do not enter into long-term contracts with our clients and our contracts with our clients are generally on a project-by-project basis. As such, there is no guarantee that our clients will continue to engage us at the same volume of business, or at all, in the future or that we will be able to replace, in a timely or effective manner, departing clients with potential clients that deliver comparable level of revenue. The securing of our customers depends on factors such as our marketing strategy, quality of our services, market demand for our services and level of competition in the industry. If we fail to retain our existing clients or increase

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clients' utilisation of our services, or to provide attractive services and pricing structures to attract new clients, the demand for our services will not grow and may even decrease, which could materially and adversely affect our ability to maintain or increase our revenue and profitability.

We engage third party suppliers and subcontractors during the course of our services to our clients and their failure to meet our requirements may materially and adversely affect our business and reputation

During the Track Record Period, our Group engaged service providers for our printing and other marketing production and marketing production works for, among others, higher operational efficiency and capital saving purpose. We also purchased materials and consumables such as papers from third party vendors. There is no guarantee that our Group is able to monitor or manage such service providers' and vendors' printing quality and timeliness as directly and effectively as our own personnel. Such service providers and vendors may fail to meet our requirements such as printing or production schedules or the quality of printing or production works or the quality of materials and consumables. The occurrence of any failures to meet our requirements by our service providers and materials and consumables vendors may materially and adversely affect our business and reputation.

Our business is subject to seasonality factors

The demand for our services is subject to seasonal fluctuations. In general, we experience a peak in revenue in the fourth quarter of each financial year as our Directors believe that brand owners usually increase their expenditures during this period in anticipation of the Christmas and Chinese New Year festive season to boost their sales. As such, the results of our Group for the peak months from October to December may not be taken as an indication of our performance for the entire financial year. Prospective investors should therefore be aware of the seasonal fluctuations when making any comparisons of our Group's financial performance. In addition, we cannot necessarily anticipate accurately any future changes in seasonality or any other factors. Any negative changes in seasonal factors which affect brand owners' consumption behaviour may adversely affect our results of operations and financial conditions.

We face competition from new entrants

Our Group's success is reliant on our continuous ability to offer marketing production services to brand owners, which has enabled us to provide our clients with value-added and innovative branding and marketing solutions.

We face competition and price-cutting pressure from our competitors or competition from new media. Such competition may further increase due to the entry of new players in the marketing production industry. Our Directors consider that the entry barriers for newcomers to our industry may be low if the competitors compete against us in marketing production for a single particular type of media format. We will lose our competitive strengths if our business model is duplicated by another player in this industry or we are unable to catch up with the trend of new media. If we are unable to respond competitively, our Group's profitability and financial performance will be

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adversely affected. Any failure by our Group to compete effectively with our existing and future competitors and to adapt to changing market conditions and trends and remain competitive will adversely affect the demand for our business, results of operations and financial condition.

Our business success is subject to our ability to maintain our existing client base in Hong Kong and further expand our business network in the PRC

Our success depends on our ability to increase revenue by maintaining our existing clients in Hong Kong and the PRC. For the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 82.9%, 90.4% and 89.8% of our revenue from continuing operation was generated by our clients based in Hong Kong and approximately 5.7%, 3.0% and 3.0% was generated by PRC-based clients, respectively. Given our maintenance of close relationships with our clients, for the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 59.3%, 56.0% and 56.6% of our clients were recurring clients who used our services more than one time in the relevant period, respectively. Since many of our existing and potential clients are brand owners who conduct businesses locally and overseas, our ability to maintain our existing solid clientele in Hong Kong and further expand our business in the PRC or other overseas markets may affect our operational and financial performance.

Our business is subject to change in overall economic conditions

For the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 99.0%, 98.9% and 98.7% of our revenue from continuing operation was generated from commercial clients which were local and international brand owners from a variety of business sectors, respectively. Our clients' spending are generally related to the economic condition and therefore our Group is indirectly exposed to the economic factors and risks that may affect the brand owners, such as disposable income per household, average saving rates, consumer spending and GDP growth in Hong Kong and the PRC. Any change of the economic condition and the consumer market in the future may cause material and adverse impact on our Group's business and financial performance.

RISKS RELATING TO OUR INDUSTRY

We are operating in the highly competitive marketing production industry and may not be able to compete successfully which could reduce our market share and adversely affect our financial performance

The marketing industry is fragmented with a large number of small to medium-sized service players in both Hong Kong and the PRC. Our Group competes with other competitors in Hong Kong and the PRC primarily on the following bases:

- brand recognition;
- quality of services;
- effectiveness of sales and marketing efforts;

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- creativity in design and content;
- price;
- strategic relationships;
- hiring and retention of talented staff; and
- clients diversity.

The marketing production industry in both Hong Kong and the PRC are rapidly evolving with new media and channels being launched into the market. Competition can be increasingly intensive and is expected to increase significantly in the future. Increased competition may result in a significant increase in operating expenses and labour costs for marketing production talents. There may also be risks for price reductions for our services, reduced margins and loss of our market share.

Our Group's existing competitors may in the future achieve greater market acceptance and recognition and gain a greater market share. It is also possible that potential competitors may emerge and acquire a significant market share. If existing or potential competitors develop or offer services that provide significant performance, price, creative or other advantages over those offered by us, our business, results of operations and financial conditions would be negatively affected.

Our existing and potential competitors may enjoy competitive advantages over us, such as longer operating history, more international network, greater name recognition, larger client base, and significantly greater financial, technical and marketing resources. We may not be able to compete successfully. If we fail to compete successfully, we could lose clients. We also cannot assure you that our strategies will remain competitive or that they will continue to be successful in the future. Increasing competition could result in pricing pressure and loss of our market share, either of which could have a material adverse effect on our financial conditions and results of operations.

If we fail to successfully develop and introduce new services in line with market trends or keep up with the rapidly changing technologies, our competitive position and ability to generate revenues and growth could be affected

Internet and social media are fast-changing and evolving platforms. Our success will depend on our ability to adapt to rapidly changing technologies. In order to adapt to this environment, our Group has to continuously develop and introduce new services for our business including but not limited to expanding our digital media production to cover social media contents, websites and other digital media, as well as to launch original content production business. The introduction of new services is subject to risks and uncertainties. We may experience difficulties that could delay or prevent the successful design, development, introduction or marketing of our new services. Unexpected technical, operational, distribution or other problems could delay or prevent the introduction of our new services. Any new services we develop will need to meet the requirements

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of our existing and potential clients and may not achieve a significant market acceptance. If we fail to keep pace with changing technologies and to introduce successful and well-accepted services for our existing clients or potential clients, we could lose our clients and our revenues and growth could be adversely affected.

We are under pressure to increase our labour costs amid keen competition for professionals in our industry

To maintain our competitiveness, it is necessary to retain competent and talented employees. With the rapid development of Hong Kong and the PRC economies, there has been an upward trend in the compensation level in this industry. However, there can be no guarantee of the continuous competitiveness of our salary level. Should our compensation level fail to keep up with our competitors, current or potential competent employees may choose to join our competitors. In such event, our Group may fail to maintain the current or a satisfactory quality of services to meet the needs of our clients. In addition, the increasing costs of compensation and benefits will impose a financial burden on our Group and, accordingly, our financial and operational performance may be adversely affected.

If we fail to keep up with the rapidly changing technologies, we could lose our clients and our revenue and growth could be adversely affected

Our success will depend on our ability to adapt to rapidly changing technologies and new media, to enhance quality of existing services and to develop and introduce a variety of new services to address our clients' changing demands. We may experience difficulties that could delay or prevent the successful design, development, introduction or marketing of our new services. Any new services we develop will need to meet the requirements of our existing and potential clients and may not achieve a significant market acceptance. If we fail to keep pace with changing technologies and new media, and to introduce successful and well-accepted services for our existing clients or potential clients, we could lose our clients and our revenue and growth could be adversely affected.

Our ability to keep abreast with the latest development of the trend of the consumer market of which the brand owners are targeting is critical to our business growth. Should we fail to stay ahead of the industry trend and rapidly respond to cater to the needs of our clients, our business may be adversely affected.

RISKS RELATING TO THE PRC

Uncertainty in the PRC legal system may make it difficult for us to predict the outcome of any disputes in which we may become involved

Our operating subsidiary, Icicle Beijing is based in Beijing, the PRC and hence, is subject to the PRC laws and regulations. The PRC legal system is still in the process of being refined and there is a certain degree of uncertainty with respect to whether and how existing laws and regulations will apply to certain events or circumstances. There can be no guarantee that, should the

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PRC government decide to introduce new laws, amend or apply different interpretations to existing laws and the interpretation or application, especially in relation to laws and regulations relating to advertising business, or delay issuance of rulings, interpretations or approvals from the relevant authorities, there will be adverse and material impact on our business or our business partners' commercial arrangements.

Risks relating to the social, political and economic conditions in the PRC

We currently operate a subsidiary in the PRC, namely Icicle Beijing, and we intend to further expand our client base and business in the PRC as stated in the paragraph headed “Future plans and use of proceeds — Implementation plans” in this prospectus. In addition, our revenue from continuing operation attributable to our PRC-based clients, either through our Hong Kong or PRC subsidiary, represented approximately 5.7%, 3.0% and 3.0% of our revenue from continuing operation for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively. Accordingly, our business, financial conditions and prospects are to a significant degree subject to the political, economic and social conditions of the PRC. Any changes in the political, economic and social conditions of the PRC and any change in the policy in relation to marketing production services in the PRC may adversely affect our business and viability. The PRC Government has undergone various reforms of its economic systems. Such reforms have resulted in economic growth for the PRC in the past. However, many of the reforms may be unprecedented or experimental, and are expected to be refined and modified from time to time. In addition, the scope, application and interpretation of laws relating to such reforms may be uncertain. Other political, economic and social factors may also lead to further refinement or adjustment of the reform measures. This refinement and adjustment process may consequently have a material adverse impact on our business operations and financial performance in the PRC. Our results and financial conditions may be adversely affected by any changes in the political, economic and social conditions of the PRC and by changes in policies of the PRC Government with regard to digital marketing services or changes in laws, rules and regulations or the interpretation or implementation thereof.

Foreign exchange considerations

Approximately 84.2%, 92.2% and 91.7% of our revenue from continuing operation were denominated in Hong Kong dollar for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively. Approximately 6.0%, 3.0% and 3.1% of our revenue from continuing operation were denominated in RMB for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively, with approximately 7.4%, 3.7% and 4.8% of our revenue from continuing operation denominated in US dollars for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively. In addition, we intend to further expand our client base and business in the PRC as stated in the paragraph headed “Future plans and use of proceeds — Implementation plans” in this prospectus. At present, RMB is not freely convertible to other currencies. Under the current foreign exchange regulations of the PRC, no approval from the national departments in charge of the administration of foreign exchange control is required for RMB conversion for the sole purpose of current account transactions, including trade

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and service related foreign exchange transactions and payment of dividends to foreign investors. Foreign exchange transactions in respect of capital account items including the foreign currency capital in any foreign investment enterprise in the PRC, the repayment of foreign currency loans and the payment pursuant to foreign currency guarantees continue to be subject to significant foreign exchange controls and require the prior approval of national departments in charge of the administration of foreign exchange control or its local counterparts. There is no assurance that the PRC Government will not impose more stringent restrictions on the convertibility of RMB especially relating to foreign exchange transactions.

Fluctuations in exchange rates may result in foreign currency exchange losses and may have a material adverse effect on your investment. The change in value of the Renminbi against the Hong Kong dollar, US dollar and other currencies may fluctuate and is affected by changes in the PRC's political and economic conditions. In view of our planned expansion in the PRC, part of our revenue and costs are expected to be denominated in RMB. Any significant revaluation of RMB may adversely affect our cash flows, revenue, earnings and financial position, and the value of, and any dividends payable on our Shares in Hong Kong dollars.

Failure to comply with the national laws and regulations in the PRC governing social security and housing accumulation funds may adversely affect the Group's business

Icicle Beijing as a PRC employer is required to open a corporate account and make registrations with the local social insurance authority under the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and with the housing provident fund management center under the Regulation on Administration of Housing Provident Fund (《住房公積金管理條例》), in each case within 30 days after the date of its establishment. If an employer fails to comply with the requirements, it will be subject to penalties by the relevant PRC authority such as an order to rectify and fines. Fines imposed by local social insurance authority include a fine of 1 to 3 times the amount of the social insurance premiums payable upon it and a fine of not less than RMB500 but not more than RMB3,000 upon the directly liable person in charge and other directly liable persons. The fine imposed by the housing provident fund management center shall be not less than RMB10,000 but not more than RMB50,000.

Icicle Beijing did not make the required registrations with the local social insurance authority and with the local housing provident fund management center in Beijing within the time limit set out under the applicable laws and therefore did not make the required contributions to the relevant funds through its own corporate account for the benefit of its employees. Instead, Icicle Beijing had engaged an Independent Third Party service provider, to handle certain employee-related matters and make the required contributions to the relevant funds during the Track Record Period. Our PRC Legal Advisers advised that Icicle Beijing may be found by the relevant authorities to be in non-compliance with the abovementioned PRC laws. To rectify such non-compliance incidents, Icicle Beijing has completed the required registrations with the relevant authorities and the related administrative procedures such as provision of details of its employees in May 2017 and has duly made the required contributions to the relevant funds through its own corporate account for the benefit of its employees since then. As we had not received any rectification order from the

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relevant authorities and our Directors confirmed that Icicle Beijing had made full contributions for the social insurance and the housing provident fund for the relevant employees through the service provider during the Track Record Period, our PRC Legal Advisers are of the view that such non-compliance will not have material adverse impact on the operations of Icicle Beijing.

However, there can be no assurance that the relevant authorities will not challenge the above arrangement as non-compliance with the relevant PRC laws and grant a rectification order. Any challenge by the government authorities may adversely affect the operation of our business in the PRC.

RISKS RELATING TO THE SHARE OFFER AND SHARE PERFORMANCE

There may be limited liquidity in the Shares and volatility in the price of the Shares on GEM

The Shares have not been traded in any open market before completion of the Share Offer. The Offer Price is the result of negotiations between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters), and may not serve as an indicator of the price of the Shares traded on GEM in the future. There is no assurance that an active trading market of the Shares will develop upon Listing or if it does develop, that it may be sustained for any period of time after Listing. Upon Listing, the transaction volume and market price of the Shares may be affected by various factors, including the income, profitability and cash flow of our Company, announcement of new business development, change of senior management personnel of our Company, strategic alliance and/or acquisition, transaction volume of the Shares, development of GEM, general economic conditions and other factors. All such factors may result in significant fluctuations in the market price and/or transaction volume of the Shares. There is no assurance that such changes will not occur.

We may require additional funding for future growth

We may find opportunities to grow through acquisitions that cannot be anticipated at this juncture. Under such circumstances, secondary issue(s) of securities after the Share Offer may be necessary to raise the required capital to capture these growth opportunities. If additional funds are raised by means of issuing new equity securities in the future to new and/or existing Shareholders after Listing, such new Shares may be priced at a discount to the then prevailing market price. Inevitably, existing Shareholders if not being offered with an opportunity to participate, their shareholding interest in our Company will be diluted. Also, if our Company fails to utilise the additional funds to generate the expected earnings, this could adversely affect the financial results of our Group and in turn exert pressure on the market price of the Shares. Even if additional funds are raised by means of debt financing, any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.

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Issue of new Shares under the Share Option Scheme or any future equity fund raising exercise will have a dilution effect and may affect our profitability

We have conditionally adopted the Share Option Scheme but no option has been or will be granted thereunder prior to the Listing Date. Any exercise of the options to be granted under the Share Option Scheme in the future will result in a dilution in the shareholding of our Shareholders in our Company and may result in a dilution in the earnings per Share and net asset value per Share. Under the HKFRSs, the costs of share options to be granted under the Share Option Scheme will be charged to our Company's consolidated statement of comprehensive income over the vesting period by reference to the fair value as at the date of grant of the share options. As a result, our profitability may be materially and adversely affected.

Future sale of the Shares or major divestment of the Shares by our Controlling Shareholders and/or substantial shareholders of our Company could adversely affect our Share price

The sale of a significant number of Shares in the public market after the Share Offer, or the perception that these sales may occur, could adversely affect the market price of the Shares. Except as otherwise described in the section headed "Underwriting" of this prospectus and the restrictions set out by the GEM Listing Rules, there are no restrictions imposed on our Controlling Shareholders or substantial shareholders to dispose of their shareholdings. Any major disposal of Shares by any of our Controlling Shareholders or substantial Shareholders may cause the market price of the Shares to fall. In addition, these disposals may make it more difficult for our Group to issue new Shares in the future at a time and price our Directors deem appropriate, thereby limiting our Group's ability to raise capital.

Prior dividend distributions are not an indication of our future dividend policy and we may not be able to pay any dividends on our Shares

Details of the dividend payments by us during the Track Record Period are set out in the paragraph headed "Financial information — Dividend policy" in this prospectus. The declaration and payment of dividends during the Track Record Period should not be considered as a guarantee or indication that we will declare and pay dividends in such manner in the future, or will declare and pay any dividends in the future at all. Whether dividends will be distributed and the amount of dividends to be paid will depend upon, among others, our profitability, financial conditions, business development requirements, future prospects and cash requirements. Any declaration, payment and amount of dividends is at the discretion of our Directors, and will be subject to, among others, our constitutional documents and the Companies Law.

Termination of the Underwriting Agreements

Prospective investors of the Offer Shares should note that the Underwriters are entitled to terminate their obligations under the Underwriting Agreements when the Joint Lead Managers (for themselves and on behalf of the Underwriters) give notice in writing to our Company upon the occurrence of any of the events stated in the paragraph headed "Underwriting — Underwriting arrangements and expenses — Grounds for termination" in this prospectus at any time prior to 8:00

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a.m. (Hong Kong time) on the Listing Date. Such events include, without limitation, any acts of God, wars, riots, public disorder, civil commotion, fire, flood, tsunami, explosions, epidemic, pandemic, acts of terrorism, earthquakes, strikes or lock-outs. Should the Joint Lead Managers (for themselves and on behalf of the Underwriters) exercise their rights and terminate the Underwriting Agreements, the Share Offer will not proceed and will lapse.

Minority shareholders protection under the laws of the Cayman Islands

Prospective investors may experience difficulties in enforcing their shareholder rights because our Company is incorporated in the Cayman Islands, and the laws of the Cayman Islands relating to minority shareholders protection may be different from the laws of Hong Kong and other jurisdictions. Our Company is an exempted company incorporated in the Cayman Islands with limited liability.

Our Company's corporate affairs are governed by our Memorandum and Articles, the Companies Law and the common law of the Cayman Islands. This may mean that the remedies available to our Company's minority shareholders may be different from those they would have under the laws of other jurisdictions. Please refer to the section headed "Summary of the constitution of our Company and Cayman Islands Company Law" which is set out in Appendix III to this prospectus.

RISKS RELATING TO CERTAIN INFORMATION CONTAINED IN THIS PROSPECTUS

Certain facts and statistics in this prospectus may not be accurate and reliable

The facts and statistics disclosed in this prospectus (particularly those set out in the sections headed "Industry overview" and "Regulatory overview" of this prospectus) relating to Hong Kong and the PRC, their economies, regulatory frameworks, and the marketing production industry have been derived from various government publications or leading institutions that we believe to be reliable and appropriate sources for such information. However, we cannot guarantee the quality or reliability of such source materials. Whilst we have taken reasonable care in the reproduction of such information, they have not been independently verified by us, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Co-Lead Managers or the Underwriters, any of our or their respective directors or any other parties involved in the Share Offer. Therefore, all the aforesaid parties, including but not limited to our Company and the Sole Sponsor, make no representation as to the accuracy of such facts and statistics disclosed in this prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice, the facts and statistics disclosed in this prospectus may be inaccurate or may not fairly reflect the actual situations or market conditions. Furthermore, we cannot assure that such information is stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, prospective investors should give careful consideration as to how much weight or importance they should attach to, or place on, such statistics, projected industry data and other information relating to the economy and the industry.

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Information contained in press articles or other media

We wish to emphasise to prospective investors that we do not accept any responsibility for the accuracy or completeness of the information contained in any press articles or other media coverage regarding our Group or the Share Offer, and such information that was not sourced from or authorised by us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any information contained in any press articles or other media about our business or financial projections, share valuation or other information. Accordingly, in all cases, prospective investors should give consideration as to how much weight or importance they should attach to, or place on, such press articles or other media coverage.

Forward-looking statements contained in this prospectus may prove inaccurate and therefore investors should not place undue reliance on such information

This prospectus contains certain forward-looking statements relating to the plans, objectives, expectations and intentions of our Directors and our Group. Such forward-looking statements are based on numerous assumptions as to the present and future business strategies of our Group and the development of the environment in which our Group operates. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual financial results, performance or achievements of our Group to be materially different from the anticipated financial results, performance or achievements of our Group expressed or implied by these statements.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the GEM Listing Rules for the purpose of giving information with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and is not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

OFFER SHARES ARE FULLY UNDERWRITTEN

This prospectus is published solely in connection with the Public Offer which is sponsored by the Sole Sponsor and is managed by the Sole Bookrunner, the Joint Lead Managers and the Co-Lead Managers. The Public Offer Shares are fully underwritten by the Public Offer Underwriters subject to the terms and conditions of the Public Offer Underwriting Agreement and subject to the Offer Price to be fixed by the Price Determination Agreement on the Price Determination Date, which is expected to be on or about Friday, 1 December 2017, or such later date as may be agreed between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters). Further information relating to the underwriting arrangements is set out in the section headed "Underwriting" of this prospectus.

If, for any reason, the final Offer Price is not agreed by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse immediately.

INFORMATION ON THE SHARE OFFER

The Public Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Share Offer or to make any representation not contained in this prospectus or the relevant Application Forms, and any information or representation not contained herein and therein must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Co-Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisors or any other parties involved in the Share Offer.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

Details of the structure of the Share Offer, including its conditions, are set out in the section headed “Structure and conditions of the Share Offer” in this prospectus, and the procedures for applying for the Public Offer Shares are set out in the section headed “How to apply for the Public Offer Shares and the Employee Reserved Shares” in this prospectus and on the relevant Applications Forms.

UNDERWRITING

This prospectus is published solely in connection with the Public Offer, which forms part of the Share Offer. For applicants under the Public Offer, this prospectus and the Application Forms set out the terms and conditions of the Public Offer.

The Listing is sponsored by the Sole Sponsor. The Public Offer is fully underwritten by the Public Offer Underwriters under the terms of the Public Offer Underwriting Agreement, and is subject to the agreement on the Offer Price between the Joint Lead Managers (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. A Placing Underwriting Agreement relating to the Placing is expected to be entered into on or about 1 December 2017, subject to the Offer Price being agreed. The Share Offer is managed by the Sole Bookrunner, the Joint Lead Managers and the Co-Lead Managers.

If, for any reason, the final Offer Price is not agreed by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse immediately. Further details of the Underwriters and the Underwriting Agreements are set out in the paragraph headed “Underwriting — Underwriting arrangements and expenses” in this prospectus.

OFFER PRICE

The Offer Shares are being offered at the Offer Price, which is expected to be fixed by the Price Determination Agreement between the Joint Lead Managers (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date, which is currently expected to be on or about, Friday, 1 December 2017 (or such later date as the Joint Lead Managers (for themselves and on behalf of the Underwriters) and our Company may agree). If, for any reason, the final Offer Price is not agreed by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse immediately. For full information relating to the determination of the Offer Price, please refer to the section headed “Structure and conditions of the Share Offer” in this prospectus.

RESTRICTIONS ON SALE OF THE OFFER SHARES

No action has been taken in any jurisdiction other than Hong Kong to permit the offering of the Offer Shares or the distribution of this prospectus and/or the Application Forms. This prospectus and/or the Application Forms may not be used for the purpose of, and does not constitute, an offer or invitation in relation to the Share Offer in any jurisdiction or, in any circumstance in which such an offer or invitation is not authorised, and is not an offer or invitation

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

to any person to whom it is unlawful to make an unlawful to make an unauthorised offer or invitation. Persons who possess this prospectus and/or the Application Forms are deemed to have confirmed with our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Co-Lead Managers and the Underwriters that such restrictions have been observed.

Prospective applicants for the Offer Shares should consult their financial advisers and take legal advice, as appropriate to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for the Offer Shares should inform themselves as to the relevant legal requirements and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile. Each person subscribing for or purchasing of the Offer Shares will be required to, or is deemed by his/her/its subscription or purchase of the Offer Shares, to confirm that he/she/it is aware of the restrictions on offer of the Offer Shares described in this prospectus and that he/she/it is not subscribing for, and has not been offered, any Offer Shares in circumstances that contravene any such restrictions.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Further details of the structure and conditions of the Share Offer are set out in the section headed “Structure and conditions of the Share Offer” in this prospectus.

APPLICATION FOR LISTING ON GEM

Application has been made to the Listing Division for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Capitalisation Issue and the Share Offer (including any additional Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme) on GEM.

Save as disclosed in this prospectus, no part of the share capital of our Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

Under section 44B(1) of the Companies (Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be void if the listing of, and the permission to deal in, the Offer Shares on GEM is refused before the expiration of three weeks from the date of the closing of the Share Offer, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of the Listing and at all times thereafter, our Company must maintain the minimum prescribed percentage of at least 25% of the issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules). Accordingly, a total of 120,000,000 Offer Shares, which represents 25% of the enlarged issued share capital of our Company immediately following completion of the Capitalisation Issue

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

and the Share Offer (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme) will be made available under the Share Offer.

Only securities registered on our branch register of members kept in Hong Kong may be traded on GEM unless the Stock Exchange otherwise agrees.

COMMENCEMENT OF DEALINGS IN OUR SHARES

Dealings in our Shares on GEM are expected to commence at 9:00 a.m. on or about Friday, 8 December 2017. Shares will be traded in board lots of 5,000 Shares each. The stock code for the Shares will be 8429. No temporary documents or evidence of title will be issued.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the approval of, and permission to deal in, our Shares on GEM and the compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for our Shares to be admitted into CCASS. If you are unsure about the details of CCASS settlement arrangements and how such arrangements will affect your rights and interests, you should seek the advice from your stockbrokers or other professional advisers.

PROFESSIONAL TAX ADVICE RECOMMENDED

If you are unsure about the taxation implications of the subscription for, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to our Shares, you should consult your professional advisers. It is emphasised that none of our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Co-Lead Managers, the Underwriters, any of their respective directors, agents or advisers or any other person involved in the Share Offer accepts responsibility for any tax effects on or liabilities of any person resulting from the subscription for, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to our Shares.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

HONG KONG REGISTER OF MEMBERS AND STAMP DUTY

All the Offer Shares will be registered on our Company's branch share register maintained in Hong Kong by Tricor Investor Services Limited. Our principal register of members will be maintained in the Cayman Islands by Estera Trust (Cayman) Limited. Only securities registered on the branch register of members of our Company kept in Hong Kong may be traded on GEM unless the Stock Exchange otherwise agrees.

Dealings in our Shares registered on our branch register of members in Hong Kong will be subject to Hong Kong stamp duty. For further details about Hong Kong stamp duty, please refer to the paragraph headed "D. Other information — 8. Taxation of holders of Shares" in Appendix IV to this prospectus.

Unless our Company determines otherwise, dividends (if any) payable in HK dollars in respect of our Shares will be paid at the Shareholder's risk by ordinary post to the registered address of each Shareholder or, in the case of joint Shareholders, to the first-named Shareholder.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments, accordingly, figures shown as totals in certain tables in this prospectus may not be an arithmetic aggregation of the figures which proceed them due to rounding.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail. Names of any laws and regulations, governmental authorities, institutions, natural persons or other entities which have been translated into English and included in this prospectus and for which no official English translation exists are unofficial translations for your reference only.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations of certain RMB, NTD and/or US dollar amounts into Hong Kong dollar amounts or vice versa at specified rates. You should not construe these translations as representations that RMB, NTD and/or US dollar amounts could actually be converted into Hong Kong dollar amounts or vice versa at the rates indicated or at all. For the purpose of this prospectus, unless we indicate otherwise, the translation of RMB amounts into Hong Kong dollar amounts have been made at the rate of RMB1 to HK\$1.12, translation of NTD amounts into Hong Kong dollar amounts have been made at the rate of NTD1 to HK\$0.24, and the translation of US dollar amounts into Hong Kong dollar amounts have been made at the rate of US\$1 to HK\$7.76.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

DIRECTORS

Name	Residential address	Nationality
<i>Executive Director</i>		
Woo Chan Tak Chi Bonnie (胡陳德姿)	Room 2, 8/F, Block A, Park Place 7 Tai Tam Reservoir Road Hong Kong	Chinese
<i>Non-executive Director</i>		
Chow Sai Yiu Evan (周世耀)	7/F, 15 Fontana Garden Tai Hang Road Hong Kong	Chinese
<i>Independent non-executive Directors</i>		
Ip Arnold Tin Chee (葉天賜)	Flat A, 1st Floor Brewin Court 7 Brewin Path Hong Kong	Chinese
Hung Alan Hing Lun (孔慶倫)	Room G 4/F Grenville House 1 Magazine Gap Road Hong Kong	Chinese
Man Ka Ho Donald (文嘉豪)	79 Perkins Road Jardine's Lookout Hong Kong	Chinese

For further information on the profile and background of our Directors, please refer to the section headed "Directors and senior management" of this prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

PARTIES INVOLVED IN THE SHARE OFFER

Sole Sponsor

Success New Spring Capital Limited

(A corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO)

Unit 2108, 21/F
China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Sheung Wan, Hong Kong

Sole Bookrunner

President Securities (Hong Kong) Limited

(A corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO)

Units 2603–06, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Joint Lead Managers

President Securities (Hong Kong) Limited

(A corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO)

Units 2603–06, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Bluemount Securities Limited

(A corporation licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO)

Room 2403–05, Jubilee Centre
18 Fenwick Street
Wan Chai
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

Co-Lead Managers

Success Securities Limited

(A corporation licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO)

Suite 1603–7, 16/F.
Great Eagle Centre
23 Harbour Road, Wanchai
Hong Kong

Sincere Securities Limited

(A corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO)

9/F Cosco Tower,
183 Queen's Road Central
Sheung Wan, Hong Kong

Grand View Securities Limited

(A corporation licensed to carry on Type 1 (dealing in securities) regulated activities under the SFO)

Suite 6209, 62/F.
The Center, 99 Queen's Road Central
Hong Kong

Public Offer Underwriters

President Securities (Hong Kong) Limited

Units 2603–06, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Bluemount Securities Limited

Room 2403–05, Jubilee Centre
18 Fenwick Street
Wan Chai
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

Placing Underwriters

President Securities (Hong Kong) Limited

Units 2603–06, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Bluemount Securities Limited

Room 2403–05, Jubilee Centre
18 Fenwick Street
Wan Chai
Hong Kong

Legal advisers to our Company

As to Hong Kong law

Howse Williams Bowers

Solicitors, Hong Kong
27th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

As to PRC law

King & Wood Mallesons

PRC attorneys-at-law
40th Floor, Office Tower A
Beijing Fortune Plaza
7 Dongsanhuan Zhonglu
Chaoyang District
Beijing 100020
PRC

As to Cayman Islands law

Appleby

Cayman Islands attorneys-at-law
2206–19 Jardine House
1 Connaught Place
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

**Legal advisers to the Sole
Sponsor, the Sole Bookrunner,
the Joint Lead Managers and
the Underwriter(s)**

As to Hong Kong law
CFN Lawyers
in association with Broad & Bright
Solicitors, Hong Kong
27th Floor, Neich Tower
128 Gloucester Road
Wanchai
Hong Kong

**Auditors and reporting
accountants**

Moore Stephens CPA Limited
Certified Public Accountants
801–806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

Compliance adviser

Ballas Capital Limited
(A corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO)

Unit 1802, 18/F
One Duddell Street
Central, Hong Kong

Receiving bank

DBS Bank (Hong Kong) Limited
16/F The Center
99 Queen's Road Central
Hong Kong

CORPORATE INFORMATION

Registered office in the Cayman Islands	PO Box 1350 Clifton House 75 Fort Street Grand Cayman KY1-1108 Cayman Islands
Headquarters, registered office and principal place of business in Hong Kong	Unit 4, 12/F 18 King Wah Road North Point Hong Kong
Compliance officer	Ms. Woo Chan Tak Chi Bonnie (胡陳德姿)
Company secretary	Ms. Tsui Sum Yi (徐心兒) ICSA, HKICS Room 1901, 19th Floor, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Company website	www.iciclegroup.com <i>(Note: The information on the website of our Company does not form part of this prospectus)</i>
Audit Committee	Mr. Ip Arnold Tin Chee (葉天賜) (<i>Chairman</i>) Mr. Hung Alan Hing Lun (孔慶倫) Mr. Man Ka Ho Donald (文嘉豪)
Remuneration Committee	Mr. Hung Alan Hing Lun (孔慶倫) (<i>Chairman</i>) Mr. Ip Arnold Tin Chee (葉天賜) Mr. Man Ka Ho Donald (文嘉豪) Ms. Woo Chan Tak Chi Bonnie (胡陳德姿)
Nomination Committee	Mr. Man Ka Ho Donald (文嘉豪) (<i>Chairman</i>) Mr. Ip Arnold Tin Chee (葉天賜) Mr. Hung Alan Hing Lun (孔慶倫) Ms. Woo Chan Tak Chi Bonnie (胡陳德姿)

CORPORATE INFORMATION

**Authorised representatives
(for the purpose of the GEM
Listing Rules)**

Ms. Woo Chan Tak Chi Bonnie (胡陳德姿)
Room 2, 8/F, Block A, Park Place
7 Tai Tam Reservoir Road
Hong Kong

Ms. Tsui Sum Yi (徐心兒)
ICSA, HKICS
Room 1901, 19th Floor, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

**Principal share registrar and
transfer office in the Cayman
Islands**

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

Hong Kong Share Registrar

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal banker

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

INDUSTRY OVERVIEW

Unless otherwise indicated, the information presented in this section is derived from the Ipsos Report prepared by Ipsos, which was commissioned by us and is prepared primarily as a market research tool. References to Ipsos should not be considered as its opinion as to the value of any security or the advisability of investing in our Group.

Our Directors believe that the sources of information and statistics are appropriate sources for such information and statistics and have taken reasonable care in extracting, compiling and reproducing such information and statistics. Our Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information and statistics false or misleading in any material respect. The relevant information prepared by Ipsos and set out in this Industry Overview has not been independently verified by our Group, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Co-Lead Managers, the Underwriters or any of their respective directors, officers, advisers and agents, and therefore may not be accurate, complete or updated. We make no representation as to the accuracy, completeness or fairness of such information and accordingly the information contained herein should not be unduly relied upon.

SOURCE OF INFORMATION

We commissioned Ipsos, an independent market research and consulting company, to conduct an analysis of, and to report on the marketing service industry in Hong Kong and the PRC for a fee of approximately HK\$400,000. We considered that the payment of the commission fee does not affect the fairness of conclusions drawn in the Ipsos Report. Ipsos is part of Ipsos SA, which was founded in Paris, France in 1975 and has been listed on the Paris stock exchange (NYSE Euronext Paris) since 1999. Ipsos conducts research on market profiles, market size, share and segmentation analysis, distribution and value analysis, competitor tracking and corporate intelligence.

The information contained in the Ipsos Report is derived by means of data and intelligence gathering which include: (i) desktop research; (ii) client consultation; and (iii) primary research by interviewing industry experts, key competitors, suppliers and customers of marketing service industry in Hong Kong and the PRC. Some of the analytical conclusions extracted from the Ipsos Report cover future forecasts.

ASSUMPTIONS AND PARAMETERS IN THE STUDY

Assumptions

The economy in Hong Kong and the PRC is assumed to maintain a steady growth across the forecast period (2016–2020) and it is assumed that there is no external shock such as financial crisis, natural disasters, new government and industry regulations to affect the demand and supply of the marketing service industry in Hong Kong and the PRC during the forecast period.

INDUSTRY OVERVIEW

The following parameters are considered in our market sizing and forecast model:

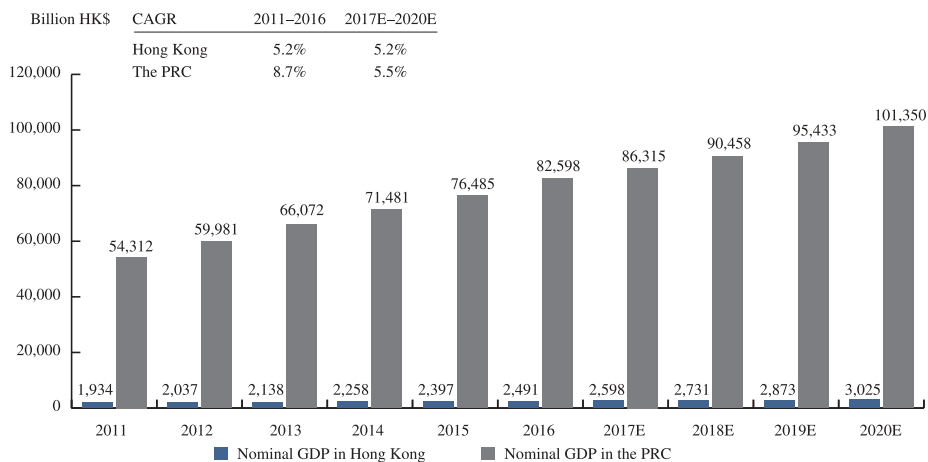
- GDP growth rate in Hong Kong and the PRC;
- The added value of the tertiary industry in Hong Kong and the PRC;
- Disposable income per capita in Hong Kong and the PRC;
- Internet and smartphone penetration rates in Hong Kong and the PRC;
- Revenue of marketing activities and creative content production in Hong Kong; and
- Historical data from 2011 to 2015 of that particular market size topics.

NO ADVERSE CHANGE IN MARKET INFORMATION

Our Directors confirmed that, to the best of their knowledge, after taking reasonable care, there is no material adverse change in the market information since the date of the Ipsos Report or the date of the relevant data contained in the Ipsos Report which may qualify, contradict or have an impact on the information in this section.

Macro-economic environment in Hong Kong and the PRC

Figure 1: Nominal GDP in Hong Kong and the PRC (billion HK\$)



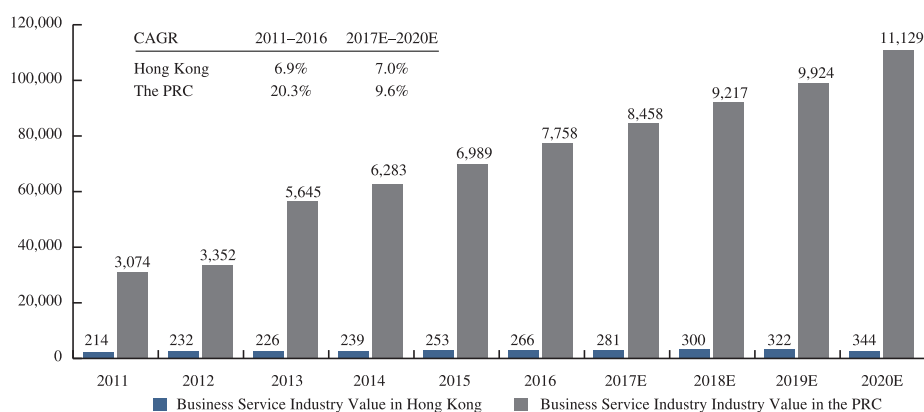
Source: National Bureau of Statistics, PRC; Hong Kong Census and Statistics Department; Ipsos Research and Analysis

Macro-economy in Hong Kong stayed buoyant in the past six years with the stable domestic demand. The nominal GDP in Hong Kong grew from about HK\$1,934 billion in 2011 to HK\$2,491 billion in 2016. Service industry was the pillar industry and key economic driver in Hong Kong, occupying over 90% of the total GDP. Due to the benefit from the deepening economic linkages with the PRC, the mid-term economic perspective in Hong Kong is optimistic, with the nominal GDP rising from about HK\$2,598 billion in 2017 to about HK\$3,025 billion in 2020.

INDUSTRY OVERVIEW

From 2016 to 2020, the real GDP growth rate in the PRC is expected to slow down, but still keep at level of about 6.5%. According to the “13th Five-year Plan for National Economic and Social Development Program” (國民經濟和社會發展第十三個五年規劃綱要), the government sets a goal of doubling the GDP and per capita income by 2020 compared with that of 2010.

Figure 2: Professional and business service industry in Hong Kong* and the PRC**



Note: * Professional and business service industry in Hong Kong includes legal services, accounting, bookkeeping and auditing services, marketing and advertising services, rental and leasing activities, employment services, travel agency and reservation service, etc.

** Professional and business service industry in the PRC includes enterprise management services, legal services, consultancy and research services, marketing and advertising services, travel agency, etc.

Source: National Bureau of Statistics, PRC; Hong Kong Census and Statistics Department; WIND Database; Ipsos Research and Analysis

Professional and business service industry value in Hong Kong and the PRC increased from about HK\$214 billion and HK\$3,074 billion in 2011 to about HK\$266 billion and HK\$7,758 billion in 2016, respectively. The percentage of business service industry value of the tertiary industry value add in Hong Kong remained steadily at above 10% in the past five years, indicating that the development of professional and business service industry in Hong Kong has entered a mature stage and that demand for third-party services remains steady. In contrast, professional and business service industry in the PRC is in a rapid development stage, which could be seen from the number of legal entities for leasing and business services, rising from about 687,575 in 2010 to 1,686,532 in 2016, at a CAGR of about 16.1%.

During 2017–2020, professional and business service industry value in Hong Kong and the PRC will maintain the growth, reaching about HK\$34.3 billion and HK\$11,129 billion by 2020.

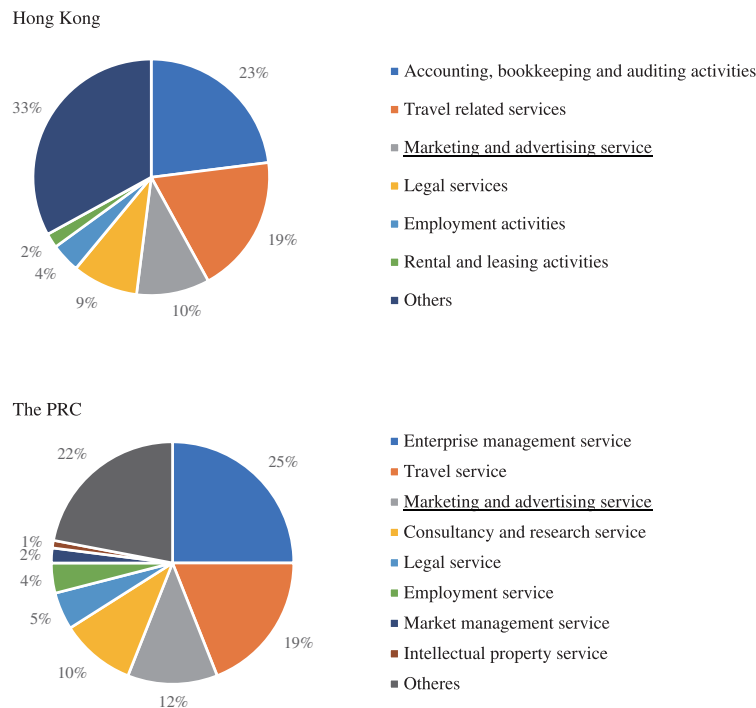
The growth of the professional and business service industry illustrates that the overall industry environment is getting mature and more well-organised. The volume of work which companies outsource to professional third parties is continuously increasing, and companies are more willing to get professional service providers involved in their daily operation for specialties and services of higher quality. The nature of each industry segment is similar in terms of customer

INDUSTRY OVERVIEW

needs and business model, which is engaging service providers with specific professional knowledge and skills for specific work scope, while trends of customer expenditure on each type of business services is consistent.

Marketing and advertising services industry has been one of the key sectors in the overall professional and business service industry. In 2016, the total revenue of marketing and advertising services industry recorded HK\$ 22.2 billion in Hong Kong and HK\$ 878.8 billion in the PRC, at a CAGR of 3.9% and 17.1% respectively since 2011. The marketing and advertising industry ranks the third out of the major segments within professional and business service industry, in both Hong Kong and the PRC, contributing to 10% and 12% to the total revenue of professional and business service industry in Hong Kong and the PRC respectively, in 2016.

Figure 3: Major segments of professional and business service industry in Hong Kong and the PRC (2016)



Source: National Bureau of Statistics, PRC; Hong Kong Census and Statistics Department; WIND Database; Ipsos Research and Analysis

Hong Kong, as a marketing and advertising services capital of Asia, has developed a mature industry environment and has created a strong pool of marketing services talents. Meanwhile, Hong Kong is also considered to be the gateway of multinational enterprises to enter the PRC market in light of the PRC's WTO (World Trade Organization) and CEPA (Closer Economic Partnership Arrangement) commitments, which create opportunities for agencies in Hong Kong as well. The agreement on trade in services between Hong Kong and the PRC for nationwide application of service liberalisations from June 2016 would also drive the further growth of the industry in Hong Kong.

INDUSTRY OVERVIEW

With a number of multinational companies entering the PRC market, as well as the development of domestic companies, the market competition has been fierce in the PRC market and companies are realising the importance of advertising, brand building and corporate identity building. This is significantly driving the demand for qualified marketing and advertising services.

The background and historic development of marketing service industry in Hong Kong and the PRC

- *Marketing service industry in Hong Kong flourishing with mature marketing services*

As a marketing services capital of Asia, Hong Kong offers a full range of marketing services (advertising, brand building, event managing, public relations and market research). This market has attracted varieties of multinational agencies and marketing services talents. Among multinational agencies, many has regional headquarters set up in Hong Kong to take care of regional business and are able to provide one-stop solution to clients. Hong Kong has a highly developed consumer market that is open to new marketing concepts and techniques with mature marketing services.

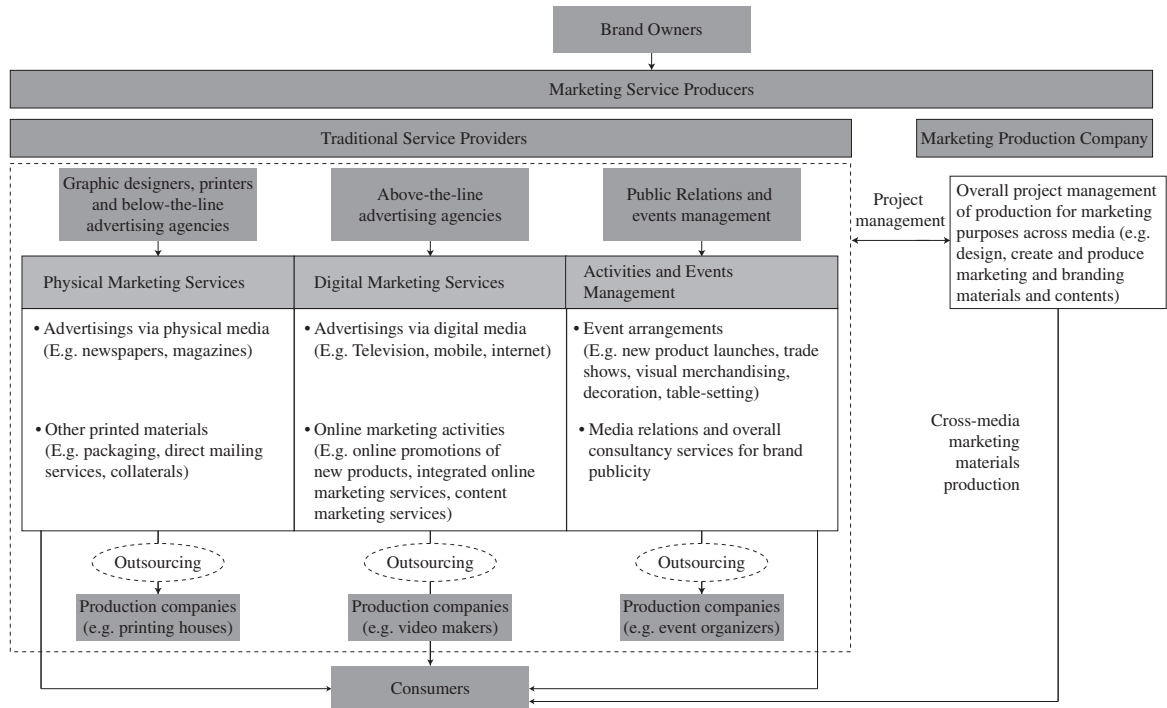
- *The demand for quality marketing services has been rising in light of a more competitive post-WTO environment in the PRC*

Marketing service industry in the PRC developed rapidly since the 21st century. The post-WTO environment creates a fiercely competitive market with high presence of foreign companies in the PRC and drives up the demand for spending on marketing services. The intense competition enhances the importance of market intelligence, while more and more mainland companies come to understand the importance of brand building, digital advertising, and public communication.

INDUSTRY OVERVIEW

The industry structure and value chain of marketing service industry in Hong Kong and the PRC

- **Industry structure and value chain**



Brand owners usually seek for external marketing service providers for services including physical and digital marketing services, and activities/events management.

Physical marketing services include advertisings via physical media such as newspapers and magazines, and printed materials such as packaging and collaterals. It is common that some of the physical marketing service providers are only responsible for design and overall-planning, but outsource the production to different agencies such as printing houses and freelance artworkers.

Digital marketing services include advertisings via digital media such as TV and internet, and online marketing activities such as content marketing and online promotions. Some advertising and public relation companies also outsource video production and photography to individual vendors or agencies such as film studios and photographic studios.

Activities and events management services include event arrangement and quality control and overall consultancy for marketing and branding events. Outsourcing is a common practice in activities and events management. Usually such service providers may outsource part of the work to subcontractors to improve efficiency and reduce costs, who will provide services including construction set-up, illumination design and installation, and food and drinks preparation.

Meanwhile, there are marketing production companies emerging in the market, which provide overall project management services to brand owners, as well as one-stop solution conciliating various types of traditional marketing services.

INDUSTRY OVERVIEW

- **Typical players and services offered**

		Typical Players	
		Advertising Companies	public relation companies
Service Offered		<ul style="list-style-type: none"> • Physical Advertising • Digital Advertising 	<ul style="list-style-type: none"> • Online public relation activities • Marketing communications • Events arrangements
Key Players	Hong Kong	<ul style="list-style-type: none"> • Ogilvy & Mather • Leo Burnett • J. Walter Thompson • DDB Worldwide • TBWA Hong Kong • Nemty Agency • Laundromatte 	<ul style="list-style-type: none"> • Weber Shandwick Worldwide • Hill & Knowlton Asia Ltd • Burson-Marsteller Asia Pacific • Ketchum Newscan Public Relations • Ogilvy Public Relations Worldwide
	The PRC	<ul style="list-style-type: none"> • Leo Burnett • DDB Worldwide • J. Walter Thompson • Ogilvy & Mather • Saatchi & Saatchi • BBDO 	<ul style="list-style-type: none"> • AcrossChina • BlueFocus Digital • Burson-Marsteller • Cenbo • Chuan Digital • Daniel J.Edelman China group

Note: International firms in the table refers to local presence and business in Hong Kong and the PRC.

The marketing industry in both Hong Kong and the PRC is rather fragmented with numerous small to medium sized service providers.

Advertising companies are mainly concerned themselves with media buy (purchase of advertising space in a media venue) and above-the-line (advertising through channels which reach a large number of audiences) creative and they do not normally have in-house production expertise. Therefore, they have to outsource production to companies like the Group, or their clients will directly work with production and creative companies like the Group and carve that part out from the job scope with the advertising companies.

Public relation companies are mainly concerned themselves with press relationships. They do not normally have or only have limited in house production expertise. Therefore, they have to outsource to production companies like the Group, and their clients will directly work with production and creative companies and carve that part out from the job scope with the public relation companies.

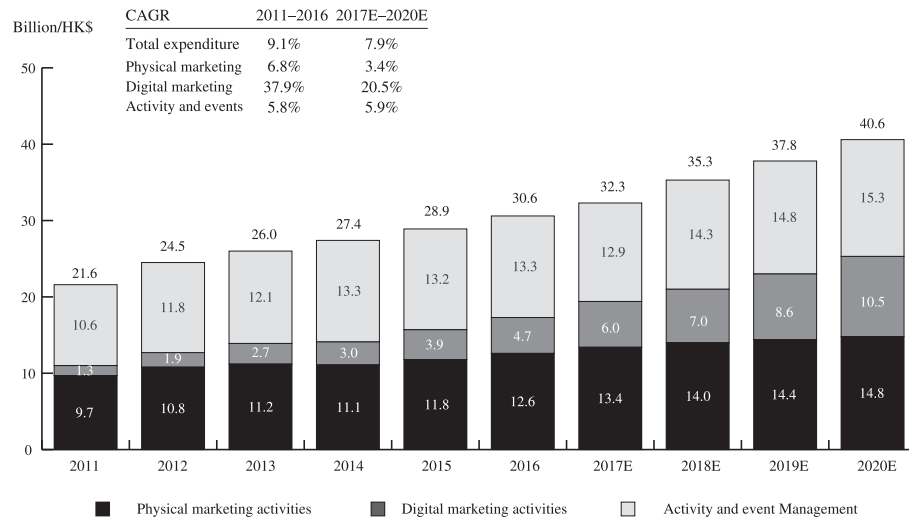
Traditional advertising companies and public relation companies only offer limited but focused services within their scope of work. They usually do not have in-house production capability and have to outsource with third party production houses. However, differentiated from these traditional advertising companies and public relation companies, the Group positions itself as a marketing production company, which provides overall project management of production for marketing purpose across media, including design, create and produce marketing and branding materials and contents, which offered directly to the brand owners in Hong Kong and the PRC. The Group's services include overall project management

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and marketing production services and cover the provision of marketing production services in three categories including physical media production, digital media production and cross media development. The uniqueness of the Company's business scope leads to where being few direct competitors covering their full scope of offering.

Total marketing expenditure in Hong Kong and the PRC

Figure 4: Corporate marketing expenditure by type in Hong Kong



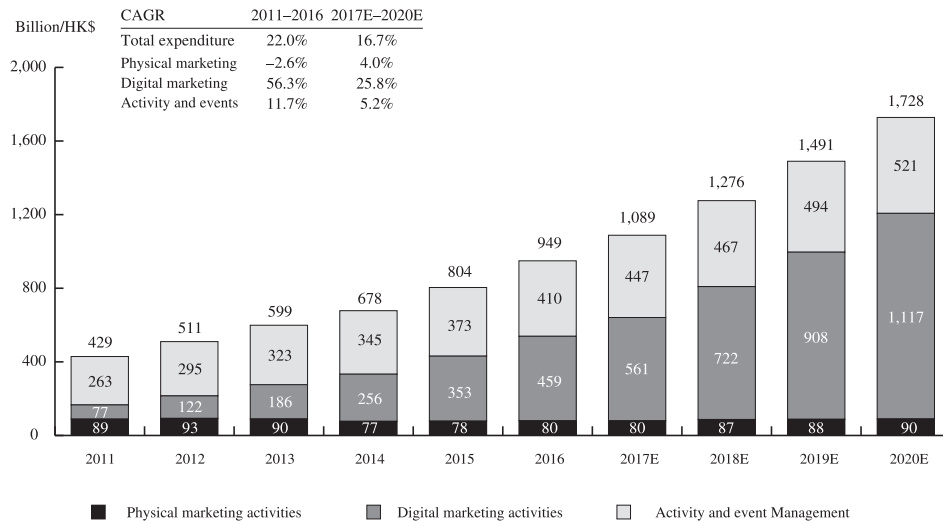
Source: AdMango; Census and Statistics Department of the Hong Kong Special Administrative Region; Ipsos Research and Analysis

The total marketing expenditure in Hong Kong increased from about HK\$21.6 billion in 2011 to about HK\$30.6 billion in 2016, at a CAGR of about 9.1%. The total number of companies registered in Hong Kong grow from about 956,392 in 2011 to about 1,329,422 in 2016, growing at a CAGR of around 6.8%. The increase in the total number of companies in Hong Kong led to the increase of total marketing expenditure in Hong Kong because marketing is a necessary part of running a business.

The total marketing expenditure in Hong Kong is expected to increase from about HK\$32.3 billion in 2017 to about HK\$40.6 billion in 2020, at a CAGR of about 7.9%. The intangible value of brand name has been the emphasis of companies in recent years, therefore companies are more willing to spend on marketing activities in order to enhance the brand image. As a result, the total marketing expenditure is expected to grow from 2017 to 2020. By the end of 2020, marketing expenditure on digital activities in Hong Kong is expected to account for more than 25% of the total marketing expenditure, and marketing expenditure on physical marketing activities, and activity and event management are being 36.3% and 37.7% of the total marketing expenditure respectively.

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Figure 5: Corporate marketing expenditure by type in the PRC



Source: China Advertising Yearbook; China International Public Relations Association; Ipsos Research and Analysis

The total marketing expenditure in the PRC increased from about HK\$429.0 billion in 2011 to about HK\$949 billion in 2016. Supported by the Shanghai World Expo and the Asian Games in Guangzhou, total marketing expenditure has picked up since 2010 along with the economy recovery and restored confidence from domestic enterprises. Physical marketing expenditure experienced slight decrease in 2013 and 2014 as brand owners were investing significantly on digital channels which witnessed booming during the period. It gradually picked up from 2015, along with the stable annual increment of the marketing budget on an annual basis, because brand owners started to balance their budget between digital and physical channels to ensure a proper coverage in both channels.

The total marketing expenditure in the PRC is expected to increase from about HK\$1,089 billion in 2017 to about HK\$1,728 billion in 2020. The total marketing expenditure in the PRC is expected to sustain the growth from 2017 to 2020 since the disposable income per capita in the PRC is expected to increase steadily and therefore companies are anticipated to spend more on marketing to attract consumers with higher power of consumption and wider purchasing choices. In particular, expenditure on digital marketing activities and activity and event management are expected to drive the growth in marketing expenditure, contributing around 64.8% and 30.0% to the total marketing expenditure in the PRC in 2020 respectively.

Companies usually allocate their annual marketing budget plans at an overall level, rather than being specific to any forms of marketing media at the planning stage. Depending on the actual needs and the objectives of various marketing activities, companies will decide whether physical or digital media is to be adopted.

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Despite the challenges from digital marketing media, physical marketing is gradually back to track as companies realise the advantages of physical marketing, which cannot be replaced by digital marketing. For example, physical marketing materials could be more memorable to customers, and the customer experience could be improved if they could touch and feel the physical materials. In 2016, the output value of physical printing industry (excluding publication printing) recorded HK\$7.7 billion in Hong Kong and HK\$112.6 billion in the PRC, at a year-on-year growth rate of 4.9% and 5.6% respectively.

Hong Kong's physical printing industry is known for its quality, quick responsiveness and delivery and the ability to deal with difficult printing jobs, which has been attractive to overseas customers. Some of the international customers are even using Hong Kong as a hub to get the materials printed and then deliver to the PRC. With closer business collaboration between Hong Kong and the PRC, huge demand from the PRC market would also benefit the printing industry in Hong Kong.

Based on the corporate marketing expenditure in the physical marketing activities in Hong Kong for the year 2015 of approximately HK\$11.8 billion and the estimated expenditure of approximately HK\$12.6 billion in 2016; and based on the revenue from the physical media production and management of the Group during the Track Record Period of about HK\$0.079 billion and HK\$0.083 billion, the estimated market share of the Group in physical marketing for the years 2015 and 2016 were approximately 0.67% and 0.66%, respectively.

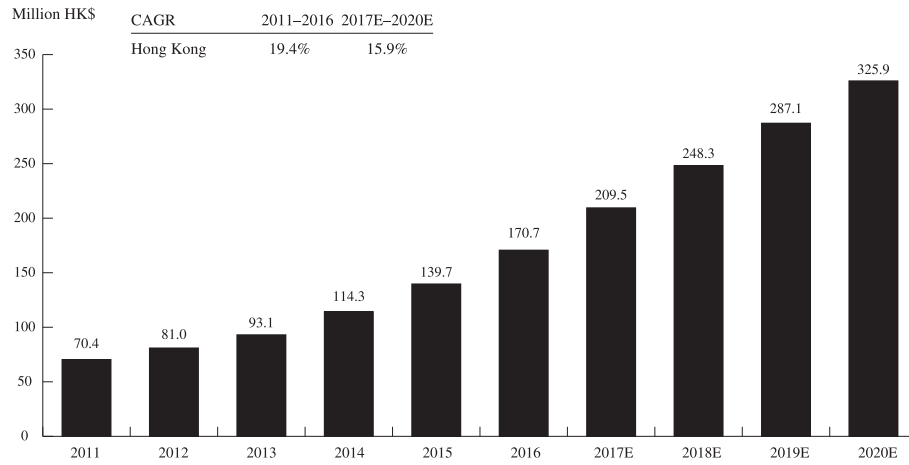
Social media advertising expenditure in Hong Kong and PRC

During 2017–2020, corporate digital marketing expenditure is estimated to grow at a CAGR of approximately 20.5% in Hong Kong and 25.8% in the PRC. Social media is one of the channels for digital marketing. In 2017, the percentage of social media advertising expenditure representing in the digital marketing expenditure is about 3.5% in Hong Kong and 5.6% in the PRC.

Marketing expenditure on social media is showing the similar growth trend. During 2017–2020, the social media advertising expenditure is expected to increase from HK\$ 0.2 billion to HK\$ 0.3 billion in Hong Kong, and from HK\$ 31.1 billion to HK\$ 61.9 billion in the PRC, with a CAGR of approximately 15.9% in Hong Kong and 25.7% in the PRC.

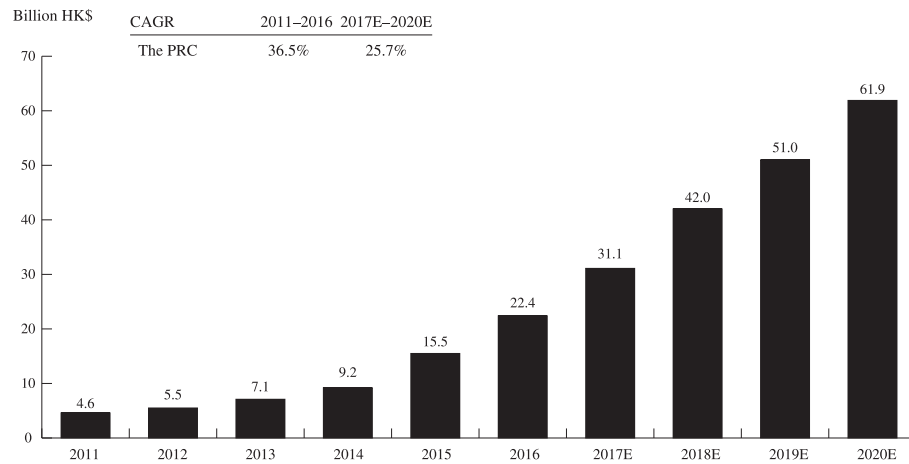
INDUSTRY OVERVIEW

Figure 6: Social media advertising expenditure in Hong Kong



Source: Census and Statistics Department of the Hong Kong Special Administrative Region; Statista; Ipsos Research and Analysis

Figure 7: Social media advertising expenditure in the PRC



Source: China Advertising Yearbook; China International Public Relations Association; Statista; Ipsos Research and Analysis

Key drivers, constraints and entry barriers of the marketing service industry in Hong Kong and the PRC

Key drivers

- *The penetration of Internet and smartphone serve as powerful media support for the development of marketing service industry*

The internet penetration rate of Hong Kong increased from around 72.2% in 2011 to around 74.1% in 2016. Furthermore, the mobile penetration rate in Hong Kong increased from about 35.0% in October 2011 to about 80.3% in 2016. In the PRC, the penetration rate of the Internet and smart phone have increased respectively from about 38.3% and 13.0% in 2011 to 53.2% and 58.0% in 2016. The number of netizens has reached about 668 million in 2015. The increasingly popular Internet provides consumers with a more convenient way to receive and view digital advertisement. Therefore, the mass media and Internet act as powerful media support for the continuous expansion of marketing service.

- *National policies and legislations promote the sound development of marketing service industry.*

Chinese government has enacted a series of policies and regulations to promote the sound development of marketing industry. The Advertisement Law of PRC amended by the National People's Congress (NPC) in April 2015 regulates the business activities of the advertising clients, advertising agents and advertising publishers. The Amended Law sends out a signal that China is keen to strengthen regulations on marketing activities and further implementing measures or interpretations may be issued in the future to give further guidance on the application of the new law. In the meantime, it is advisable for brand owners to review their advertising practices in China to ensure compliance with the new law, especially in light of the potential surge of regulatory enforcement and consumer complaints. The improving marketing environment will have a positive impact on the industry development in terms of well-organised competition and well-monitored service offerings. As a result, companies which are unqualified are to be eliminated from the industry, while the quality and pricing mechanism of services being offered in the market will be significantly improved.

Constraints

- *Lack of market intelligence and comprehensive service ability*

With increasing demand for an international positive brand image from mainland companies that are going “global”, companies will need marketing intelligence from professionals with experience and expertise. Especially for multinational consumers, the language and cultural proximity create challenges for mainland companies on achieving a quick and seamless integration with the international community.

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- *Privacy and Security Concerns*

Hong Kong is a city that highly values personal privacy and security. Many digital advertisements are interactive and have to collect personal data like cookies. This is a potential controversy issue for public in Hong Kong, and hence the introduction of project management can avoid such problems to a great extent by offering professional services such as quality control and overall consultancy.

Entry barriers

- *Ability to provide creative and innovative solution*

The marketing industry in Hong Kong is prosperous and mature. The audiences in Hong Kong are generally well-informed. The ability to provide creative and innovative deliverables in both contents and formats is very important for the newcomers.

- *Technology barriers*

The rapid renewal rate of advertising technology requires the advertising solution providers to possess strong technology base and continuous research and development ability so that they can always update and improve their technology, and keep pace with the changes of marketing activity trends and the technology needed. Only by achieving this can the companies meet the market demand and guarantee a sustainable development.

- *Talent barriers*

The marketing service industry requires its practitioners to have both considerable knowledge on marketing theories and deep understanding on various media. Meanwhile, they should also be familiar with media users' behavioural pattern, lifestyle, psychological characteristics, etc. Due to the difficulties of combining all the qualities above, such kind of practitioners are in rather short supply.

- *Barriers of media resources and brand*

The more media and advertising resources the marketing agents can cover, the more end-users the brand owners can reach and thus the better marketing effect will get. It is difficult for new entrants of the marketing service industry to reach massive media resources in a short period so they may fail to meet the marketing demand of their clients. Also, the quality of services and products of these new comers are still open to the examination of the market. Thus, the new entrants need to have some industry accumulation before gaining the trust from their clients.

Competitive landscape of the marketing service industry in Hong Kong and the PRC

The bargaining power of the suppliers is moderate. The sufficient supply of both raw materials and agencies in marketing industry leads to a moderate bargaining power of suppliers. Taking raw material of physical media production as an example, there are 5,451 printing and recording media enterprises in the PRC. Apart from the sufficient vendors, the supply of raw material also exhibits surplus productivity, represented by production volume and consumption volume of printing paper being 25.2 million tons and 23.2 million tons in the PRC respectively. Meanwhile, given that most marketing activities require relatively higher quality raw material supply, suppliers, especially those with premium offering, would still have certain bargaining power against their customers. Thus, the overall bargaining power of suppliers is considered to be moderate.

The bargaining power of the buyers is moderate to high. There are various marketing service providers and creative content producers in both Hong Kong and the PRC, providing multiple choices for brand owners. The homogeneous services offered by the agencies lead to a comparatively low switching cost for the brand owners, so the key success factor in client relationship management is to cultivate a team of professional talents to fully understand the brand positioning of those brand owners.

The threat of substitutes is relatively low. As an alternative to using professional marketing service providers, some of the brand owner might choose to rely more on in-house marketing department or public relations department. However, to establish a suitably qualified and professional team can be time-consuming and problematic, so the threat of substitutes is considered to be weak.

The degree of rivalry is high. Both Hong Kong and the PRC market are highly fragmented and competitive with many small to medium sized players. For example, there were around 671.9 thousand advertising service providers in the PRC in 2015, and meanwhile only 3,072.5 thousand employees, indicating that the average number of employees in advertising enterprises was less than 5 in 2015, and that most advertising service providers are of small business scales. It can be observed that there is an intense competition among existing players along the industry value chain.

Company's competitive advantages compared to other key players in the marketing service industry in Hong Kong and the PRC

- ***High employee loyalty***

The success in talent retention mainly attributes to the introduction of performance management system and sophisticated training system. In particular, all employees are appraised quarterly and rewarded with discretionary bonus if they meet the performance targets. The Group also provides its staff with technical and operational training as well as sponsorship of external training and educational courses.

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- ***Experienced and multi-cultural management team***

Compared to most marketing service providers in the PRC concentrating on local business, the Group is exploring services across the nation with an experienced and multi-cultural management team. Some members of management team have over 10 years' industry experience, which offers solution to bridge the gaps and minimise cross-culture miscommunication among the brand owners' local, regional and global decision makers. In relation to implementing global branding and marketing strategies to fit the relevant local market requirements, the experienced senior management team provides flexible services of meeting customer demand in all dimensions, strengthening the Group's competitiveness in the market.

- ***Full range of professional services***

The Group is one of a few initiatives in both Hong Kong and the PRC that provides marketing production services to customers who are international and local brand owners. Compared to traditional advertising or public relations companies that focus on exclusive service of the market, the Group shows its advantage on creating diversified range of services and one-stop services in response to flexible demand and competitive environment.

- ***Solid relationship with key players in major B2C (Business To Customer) industry***

As a highly fragmented market with comparatively low switching cost, marketing industry is struggling on managing customer relations. However, in recognition of quality and flexible services in the market, the Directors advised that over 90% of the Group's top 10 clients engaged for repeated services and maintained solid relationship for more than 3 years. In particular, the Group develops a 12-year-relation with one of the key leaders in retail chain stores business and 11-year-relation with a key player from insurance industry. It actively engages in marketing production services for brand owners in major B2C industries such as luxury, apparel and food and beverage industry.

- ***Unique marketing production service offering***

The Group's business scope acts as the project manager to manage the production of different collaborators in the marketing materials and marketing services. The Group is able to calculate a cost effective value for each project based on optimal use of materials and a suitable choice of machinery which was attributed to a thorough understanding of the cost structure of production to identify cost-saving areas. This is not similar to other advertising or public relations companies. They would most typically coordinate the printing procurement process by applying standard procurement procedures.

Opportunities and threats of the marketing service industry in Hong Kong and the PRC

Opportunities

- *Favorable national policies and legislations to promote the sound development of marketing service industry*

Chinese government has enacted a series of policies and regulations to promote the development of marketing service industry. The Advertisement Law of PRC amended by the National People's Congress (NPC) in April 2015 regulates the business activities of the advertising clients, advertising agents and advertising publishers. Besides, as per the Opinions on promoting the implementation of advertising strategy produced by the State Administration of Industry and Commerce (SAIC) in April 2012, the government fully supports the application of online media in advertising industry and will give preference to the initial public offering and fund raising of online advertising companies.

- *Integration of different service categories to offer full-circle marketing services*

In the past, most of the marketing service providers in both Hong Kong and the PRC provide exclusive service, such as pure physical advertising services or pure online PR services, but now more and more marketing service providers are engaging in marketing production services and overall marketing consultancy. With integration of different service categories, the players are expected to be able to better meet consumers' demand for professional one-stop services.

Threats

- *Lack of measurement of the return of investment (ROI):*

Marketing activities may not have a direct reflection on sales generated and therefore it is difficult for companies to measure the ROI and effectiveness of marketing campaigns. Budgeting would become more difficult for them if they do not know the effect of marketing activities and hence may reduce in engaging in such marketing campaigns.

- *Exploding data volumes:*

As marketing activities via different media becomes popular, the amount of information received by customers increases and it may become difficult for customers to digest and handle all information. Therefore, marketing service providers must tailor messages and choose the right channel to ensure the targeted customers get the right message.

- *Difficulties in talent retention*

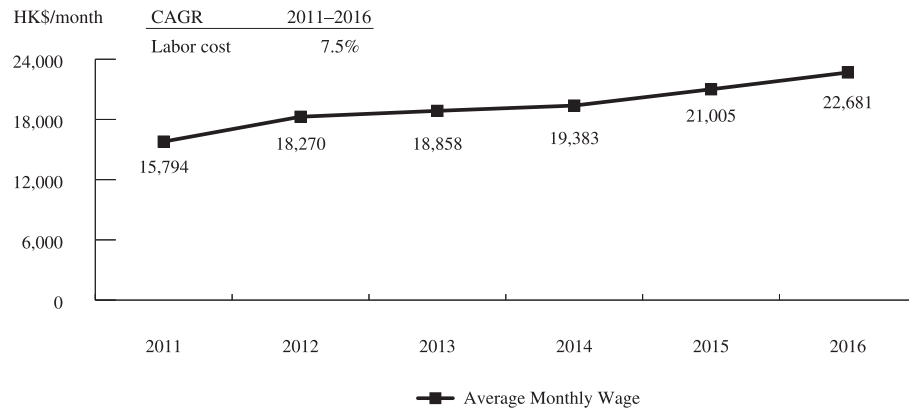
Per the '2015 Annual Report of China's Public Relations Industry' published by China Public Relations Association, the staff turnover of marketing industry was around 30% in 2015, and this figure was around 21% in 2011. The increasing turnover rate may lead to

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lack of talents in marketing service industry, where having a team with talented specialists is the key competitive factor. The players' failure in talent retention may exert negative impact on the company's development, and hence improvement of employee loyalty will be the competitive advantage of a marketing service provider.

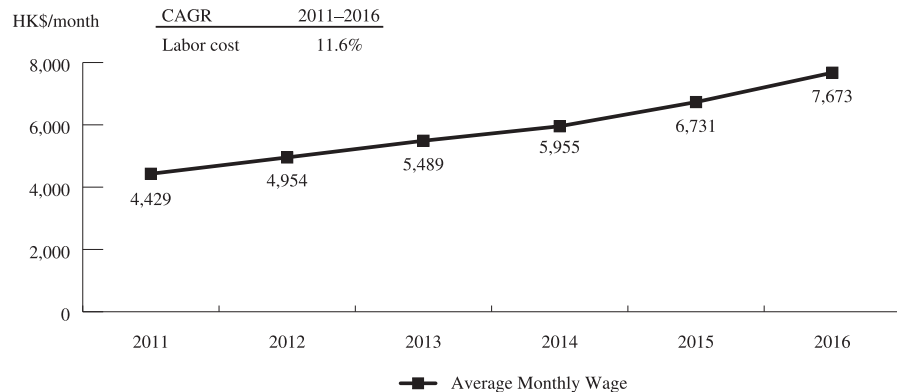
Major direct costs of marketing service industry in Hong Kong and the PRC

Figure 8: Labour cost of talented creative designers in Hong Kong



Source: Hong Kong Census and Statistics Department; JobsDB HK; Ipsos Research and Analysis

Figure 9: Labour cost of talents in culture industry in the PRC



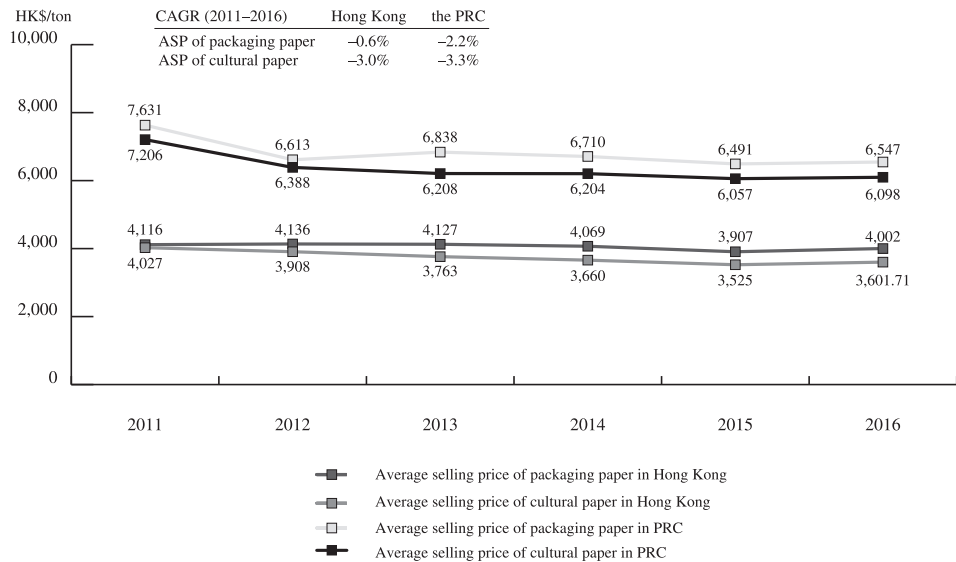
Source: National Bureau of Statistics, PRC; Ipsos Research and Analysis

The average monthly wage of talented creative designers in Hong Kong grew from about HK\$15,794 in 2011 to about HK\$22,681 in 2016, at a CAGR of about 7.5%. The average monthly wage of talents in culture industry in the PRC grew at a CAGR of around 11.6%, reaching about HK\$7,673 in 2016.

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The macro-economic situation in Hong Kong stayed buoyant and developing, pushing the increase of the labour cost in Hong Kong in the past five years. The increase in labour cost of talents in culture industry in the PRC is mainly caused by the rapid development in culture industry, where the annual value-added was around HK\$16,230 in 2011 and HK\$36,129 in 2016, at a CAGR of around 17.4%.

Figure 10: Raw material cost of marketing service industry in Hong Kong and the PRC



Note: Cultural paper refers to paper used to spread culture, including coated paper, writing paper, two-side offset paper, light-weight coated paper, newsprint etc.

Source: WIND; National Bureau of Statistics, PRC; Ipsos Research and Analysis

The average selling price of packaging paper and cultural paper in Hong Kong decreased from about HK\$ 4,116 per ton and HK\$ 7,631 per ton in 2011 to HK\$ 4,002 per ton and HK\$ 6,547 in 2016. Simultaneously, the average selling price of packaging paper and cultural paper in the PRC showed a similar trend during the same period, decreasing at a CAGR of about -2.2% and -3.3% respectively.

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This section sets forth a summary of the material laws and regulations applicable to our business in Hong Kong and the PRC.

HONG KONG

Except for the business registration certificate under the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong), we are not required to obtain any industry-specific licence, permit, authorisation or qualification for our Group's operations in Hong Kong.

Supply of Services (Implied Terms) Ordinance (Chapter 457 of the Laws of Hong Kong) (the "Supply of Services Ordinance")

We produce branding materials and contents to brand owners. The supply of services in Hong Kong is regulated by the Supply of Services Ordinance, which consolidates and amends the law with respect to the terms to be implied in contracts for the supply of services.

Section 5 of the Supply of Services Ordinance provides that in a contract for the supply of service where the supplier is acting in the course of a business, there is an implied term that the supplier will carry out the service with reasonable care and skill.

Section 6 of the Supply of Services Ordinance provides that where, under a contract for the supply of a service by a supplier acting in the course of a business, the time for the service to be carried out is not fixed by the contract, is not left to be fixed in a manner agreed by the contract or is not determined by the course of dealing between the parties, there is an implied term that the supplier will carry out the service within a reasonable time.

Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) (the "TDO")

The TDO prohibits false trade description, false, misleading or incomplete information, false marks and misstatements, etc., in respect of goods and services offered in the course of trade.

Section 7 of the TDO provides that it is an offence to apply a false trade description to any goods or supplies or offer to supply any goods with false trade descriptions applied thereto in the course of trade or business.

Section 7A of the TDO provides that a trader who applies a false trade description to a service supplied or offered to be supplied to a consumer, or supplies or offers to supply to a consumer a service to which a false trade description is applied, commits an offence.

Sections 13E, 13F, 13G, 13H and 13I of the TDO provide that a trader who engages in relation to a consumer in a commercial practice that is a misleading omission or aggressive, or that constitutes bait advertising, a bait and switch or wrongly accepting payment for a product, commits an offence.

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A person who commits an offence under sections 7, 7A, 13E, 13F, 13G, 13H or 13I of the TDO shall be subject, on conviction on indictment, to a fine of HK\$500,000 and to imprisonment for 5 years, and on summary conviction, to a fine of HK\$100,000 and to imprisonment for 2 years.

Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the “PDPO”)

The PDPO covers any data relating directly or indirectly to a living individual (data subject), from which it is practicable to ascertain the identity of the individual and which are in a form in which access to or processing of the data is practicable. It applies to a data user, i.e. any person who, either alone or jointly or in common with other persons, controls the collection, holding, processing or use of personal data.

During the course of our business, we (i) may assist our customers in collecting personal data of target audience of our customers through our digital media production, such as through social media platforms and websites; and (ii) process or use personal data in rendering our confidential data printing services to our customers. In doing so, we must comply with the Data Protection Principles of the PDPO, which are:

Principle 1 — Purpose and manner of collection of personal data. This provides for the lawful and fair collection of personal data and sets out the information a data user must give to a data subject when collecting personal data from that subject.

Principle 2 — Accuracy and duration of retention of personal data. This provides that personal data should be accurate, up-to-date and kept no longer than necessary.

Principle 3 — Use of personal data. This provides that unless the data subject gives consent otherwise personal data should be used for the purposes for which they were collected or a directly related purpose.

Principle 4 — Security of personal data. This requires appropriate security measures to be applied to personal data (including data in a form in which access to or processing of the data is not practicable).

Principle 5 — Information to be generally available. This provides for openness by data users about the kinds of personal data they hold and the main purposes for which personal data are used.

Principle 6 — Access to personal data. This provides for data subjects to have rights of access to and correction of their personal data.

Control of Obscene and Indecent Articles Ordinance (Chapter 390 of the Laws of Hong Kong)

The contents we create for our clients for their digital media platforms or printed materials created on their behalf in Hong Kong may be subject to the regulations of the Control of Obscene and Indecent Articles Ordinance. Subject to the defence provided in the Control of Obscene and Indecent Articles Ordinance, any person who publishes, possesses for the purpose of publication or

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imports for the purpose of the publication, any obscene article, whether or not he/she knows that it is an obscene article, commits an offence and is liable for a fine of HK\$1 million and imprisonment for three years.

Under the Control of Obscene and Indecent Articles Ordinance, it is also an offence to publish any indecent article without sealing such article in wrappers and displaying a notice as prescribed by the Control of Obscene and Indecent Articles Ordinance.

Subject to the defence provided in the Control of Obscene and Indecent Articles Ordinance, it is also an offence to publish any indecent article to a person who is a juvenile, whether it is known that it is an indecent article or that such person is a juvenile. Such offences impose a fine of HK\$400,000 and imprisonment of 12 months on first conviction. A second or subsequent conviction will give rise to a fine of HK\$800,000 and imprisonment of 12 months.

The Obscene Articles Tribunal is empowered to refuse an application to make a classification of an article, to classify an article as neither obscene nor indecent, indecent or obscene or to determine whether articles published in magazines in Hong Kong are obscene or indecent.

Copyright Ordinance (Chapter 528 of the Laws of Hong Kong)

The Copyright Ordinance provides comprehensive protection for recognised categories of literary, dramatic, musical and artistic works, as well as works made available to the public on the Internet. In the course of creating cross media art and design, certain copyrights may subsist in the works we create including artistic works (such as drawings) or literary works (such as text) or videos that qualify for copyright protection without registration.

Under the Copyright Ordinance, a person may incur civil liability for “secondary infringement” if that person possesses, sells, distributes or deals with a copy of a work which is, and which he knows or has reason to believe to be, an infringing copy of the work for the purposes of or in the course of any trade or business without the consent of the copyright owner. However, the person will only be liable if, at the time he committed the act, he knew or had reason to believe that he was dealing with infringing copies of the work. Our Directors confirmed that they do not have any actual knowledge nor have any reason to believe that any material submitted by the clients to our Group for artwork adaptations during the Track Record Period is an infringing copy of any work within the meaning of the Copyright Ordinance.

Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong)

The Trade Marks Ordinance is a statute enacted to make provision in respect of the registration of trade marks and for connected matters. Under the Trade Marks Ordinance, a person is considered using a sign if he/she/it, among other things, offers or supplies services under the sign and uses the sign on business papers or in advertising. During the Track Record Period and up to the Latest Practicable Date, our Group had been providing our services to our customers under our company name “Icicle”. As such, the Trade Marks Ordinance is applicable to our business.

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The Trade Marks Ordinance provides, amongst other things, that a person infringes a registered trade mark if the person uses in the course of trade or business a sign which is:

- (i) identical to the trade mark in relation to goods or services which are identical to those for which it is registered;
- (ii) identical to the trade mark in relation to goods or services which are similar to those for which it is registered, and the use of the sign in relation to those goods or services is likely to cause confusion on the part of the public;
- (iii) similar to the trade mark in relation to goods or services which are identical or similar to those for which it is registered, and the use of the sign in relation to those goods or services is likely to cause confusion on the part of the public; or
- (iv) identical or similar mark in relation to goods or services which are not identical or similar to those for which the trade mark is registered, where the trade mark is entitled to protection under the Paris Convention as a well-known trade mark, and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.

Under the Trade Marks Ordinance, the owner of a trade mark is entitled to bring infringement proceedings against a person infringing his/her/its trade mark for damages, injunctions, accounts and any other relief available in law.

As at the Latest Practicable Date, we have registered certain trademarks in Hong Kong relating to our business. Please refer to the paragraph headed “Statutory and general information — B. Further information about the business of our Company — 2. Summary of intellectual property rights of our Group — (a) Trademarks” in Appendix IV to this prospectus for details. As confirmed by our Directors, we had not received any claim for trade mark infringement during the Track Record Period and up to the Latest Practicable Date.

Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)

The Occupational Safety and Health Ordinance provides for the safety and health protection to employees in workplaces, both industrial and non-industrial.

Employers must as far as reasonably practicable ensure the safety and health in their workplaces by:

- providing and maintaining plant and work systems that do not endanger safety or health;
- making arrangement for ensuring safety and health in connection with the use, handling, storage or transport of plant or substances;
- providing all necessary information, instruction, training, and supervision for ensuring safety and health;

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- providing and maintaining safe access to and egress from the workplaces; and
- providing and maintaining a safe and healthy work environment.

Failure to comply with the above provisions constitutes an offence and the employer is liable on conviction to a fine of HK\$200,000. An employer who fails to do so intentionally, knowingly or recklessly commits an offence and is liable on conviction to a fine of HK\$200,000 and to imprisonment for 6 months.

Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) (the "ECO")

The ECO establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases.

Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his/her employment, his/her employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

According to section 40 of the ECO, all employers are required to take out insurance policies to cover their liabilities both under the ECO and at common law for injuries at work in respect of all their employees (including full-time and part-time employees).

An employer who fails to comply with the ECO to secure an insurance cover is liable on conviction upon indictment to a fine of HK\$100,000 and imprisonment for 2 years.

Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (the "EO")

The EO provides for the protection of the wages of employees, regulates general conditions of employment and employment agencies, and for matters connected therewith. Under the EO, employees who are employed under a continuous contract are entitled to additional benefits including but not limited to rest days, paid annual leave, sickness allowance, severance payment and long service payment.

Where an employer wilfully and without reasonable excuse fails to pay wages to an employee when it becomes due, or fails to pay interest on the outstanding amount of wages to the employee is liable on conviction to a fine and imprisonment. Where an employer who is no longer able to pay wages due, it/he/she should terminate the contract of employment in accordance with its terms.

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Immigration Ordinance (Chapter 115 of the Laws of Hong Kong) (the “IO”)

Pursuant to section 17I of the IO, an employer of an employee who is not lawfully employable commits an offence and is liable to a fine of HK\$350,000 and to imprisonment for 3 years. It shall be a defence if the employee was a holder of a permission given by the Director of Immigration that permitted the employee to take employment at the time the contract of employment was entered into and the person charged had no knowledge that the permission had expired after that time.

As some of our employees are non-Hong Kong residents, we may potentially be exposed to the above offence. Our Directors confirmed that they have no knowledge any of the non-Hong Kong resident employees' permission to work had expired up to the Latest Practicable Date.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong)

The Minimum Wage Ordinance provides for a prescribed minimum hourly wage rate (currently set at HK\$34.5 per hour) during the wage period for every employee engaged under a contract of employment under the Employment Ordinance. Any provision of the employment contract which purports to extinguish or reduce the right, benefit or protection conferred on the employee by the Minimum Wage Ordinance is void.

Save as disclosed in the paragraph headed “Hong Kong” above in this section, our Directors confirmed that they do not aware of any other laws and regulations in Hong Kong to promote the development of marketing service industry that are relevant to our business operations and would have a material impact on our business expansion as set out in the sections headed “Business — Business strategies” and “Future plan and use of proceeds” in this prospectus.

PRC

PRC laws and regulations relating to the establishment, operating and management of our wholly foreign-owned enterprise in the PRC

On 29 December 1993, the Company Law of the PRC (《中華人民共和國公司法》) (the “Company Law”) was adopted by the Standing Committee of the National People’s Congress, last amended on 28 December 2013 and became effective on 1 March 2014, for the purpose of regulating the organisation and activities of companies and safeguarding the legitimate rights and interests of companies, shareholders and creditors. The latest amendment to the Company Law in 2013 has cancelled the restriction on the minimum registered capital and replaced the registered paid-up share capital system by the registered subscribed share capital system. The Company Law governs the limited liability companies and joint stock limited companies invested by foreign investors unless PRC laws regarding foreign investment provide otherwise.

Decision of the Standing Committee of the National People’s Congress on Revision of Four Laws including the Law of the People’s Republic of China on Wholly Foreign-owned Enterprises (《全國人民代表大會常務委員會關於修改〈中華人民共和國外資企業法〉等四部法律的決定》) with effect from 1 October 2016, has revised the relevant administrative approval clauses in the Wholly

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Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》) to replace examination and approval with filing administration for establishment and change of foreign investment enterprises which do not involve special administrative measures on access prescribed in state provisions.

Provisional Measures on Administration of Filing for Establishment and Change of Foreign Investment Enterprises (《外商投資企業設立及變更備案管理暫行辦法》) with effect from 30 July 2017, provides the filing procedures for establishment and change of foreign investment enterprises which do not involve special administrative measures on access prescribed in state provisions and the supervision and administration thereof.

Pursuant to the 2017 Revision of the Catalogue for the Guidance of Foreign Investment Industries (《外商投資產業指導目錄(2017年修訂)》) (the “Catalogue”) which became effective on 28 July 2017, foreign investment industries are classified into the encouraged, the restricted and the prohibited while industries not listed therein are generally open to foreign investment unless other PRC laws provide otherwise. Our subsidiary in the PRC is mainly engaged in brand management and printing consultancy, which does not fall into the catalogues of restricted or prohibited foreign investment industries listed under the Catalogue.

PRC laws and regulations relating to foreign currency exchange

The Foreign Exchange Control Regulations of the PRC (《中華人民共和國外匯管理條例》) (“Foreign Exchange Control Regulations”) promulgated by the State Council on 1 April 1996, which was last amended on 5 August 2008 are applicable to all activities related to the foreign exchange receipts and disbursements and transactions of domestic corporations and individuals and to the said activities of overseas corporations and individuals within the territory of the PRC. The Foreign Exchange Control Regulations stipulates that all international disbursement and transfer of funds are classified under current account and capital account. Approval from the SAFE is not required for most current account transactions, but is required for capital account-transactions.

Pursuant to the Regulations for Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the People’s Bank of China on 20 June 1996, which became effective on 1 July 1996, the PRC abolished the restrictions on the current account foreign exchange conversion while retaining the restrictions on capital account foreign exchange transaction.

According to the Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Direct Investment Foreign Exchange Administration Policies (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) (“Circular 59”), promulgated on 19 November 2012, last amended and effected on 4 May 2015, the SAFE approval formalities for account opening and deposit for foreign currency accounts under direct investments, reinvestment of domestic legitimate income of foreign investors, foreign exchange purchase under direct investments and overseas payment, foreign currency fund transfer in the PRC under direct

REGULATORY OVERVIEW

investments and various statements under direct investments required to be submitted by banks and enterprises to the foreign exchange bureau at their location and by all sub-bureaux of foreign exchange bureaux to the SAFE prior to promulgation of Circular 59 have been cancelled.

According to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment Foreign Exchange Administration Policies (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (“Circular 13”), which became effective from 1 June 2015, the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment will be directly reviewed and handled by banks in accordance with the Circular 13, and the SAFE and its branches shall perform indirect regulation over the foreign exchange registration through banks.

According to the Circular of the State Administration of Foreign Exchange on Reforming the Administrative Approach Regarding the Settlement of the Foreign Exchange Capitals of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (“Circular 19”), which became effective on 1 June 2015, the system of willingness-based foreign exchange settlement is adopted for the foreign exchange capital of foreign-invested enterprises which refers to that the foreign exchange capital, for which the monetary contribution has been confirmed by the foreign exchange authorities (or for which the monetary contribution has been registered for account entry) in the capital account of a foreign-invested enterprise may be settled at a bank as required by the enterprise’s actual management needs. The proportion of willingness-based foreign exchange settlement of capital for a foreign-invested enterprise is temporarily set at 100%. The RMB funds obtained by a foreign-invested enterprise from its willingness-based exchange settlement of capital shall be included into a foreign exchange settlement account for pending payment and shall be used within the approved business scope of the foreign-invested enterprise. The foreign-invested enterprise still needs to provide the supporting documents and go through the review process with the banks when further payment is made from such account. In particular, under the Circular 19, domestic equity investments from the exchange settlement funds are allowed after performing relevant procedures.

PRC laws and regulations relating to labour protection regulations

The Labour Law of the PRC (《中華人民共和國勞動法》) newly effective on 27 August 2009, the Law of the PRC on Employment Contract (《中華人民共和國勞動合同法》) newly effective on 1 July 2013 and the Rules for Implementation of Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) issued on 18 September 2008 are to regulate the labour relations to be established between employers and labourers, entering into, execution, performance, modification and cancellation or termination of labour contract by them, perfect labour contract systems, specify the rights and obligations of both parties to a labour contract and protect the legitimate rights and interests of employers and laborers.

Pursuant to the Regulation of Insurance for Work-Related Injury (《工傷保險條例》) which became effective on 1 January 2011, the Regulations on Unemployment Insurance (《失業保險條例》) which became effective on 22 January 1999, the Provisional Measures on Insurance for Maternity of Employees (《企業職工生育保險試行辦法》) which became effective on 1 January

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1995, the Interim Provisions on Registration of Social Insurance (《社會保險登記管理暫行辦法》) which became effective on 19 March 1999, the Interim Regulations on the Collection of Social Insurance Premium (《社會保險費徵繳暫行條例》) which became effective on 22 January 1999, the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Provisions for Implementation of the Social Insurance Law of the PRC (《實施〈中華人民共和國社會保險法〉若干規定》), both of which became effective from 1 July 2011, the PRC shall establish a social insurance system including basic endowment insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to guarantee the rights of citizens to legally obtain financial assistance from the state and society when they become old, ill, suffer from work-related injuries, unemployment and give birth to a child.

Pursuant to the Regulation on Management of Housing Provident Fund (《住房公積金管理條例》) promulgated on 3 April 1999 and amended and newly effective on 24 March 2002, the employers shall undertake registration at the competent administrative housing provident fund, undergo the procedures of opening the account of housing provident fund for their employees at the relevant bank. Enterprises are also obliged to timely pay and deposit housing provident fund for their employees in full amount in a timely manner.

PRC laws and regulations relating to advertising business

The State Administration for Industry and Commerce (“SAIC”) is the primary governmental authority regulating advertising activities in China. The Advertisement Law of the PRC (《中華人民共和國廣告法》, the “PRC Advertisement Law”) which became effective on 1 September 2015, the Administrative Regulations for Advertising which became effective on 1 December 1987 (《廣告管理條例》) and the Administrative Provisions on Registration of Publishing of Advertisements (《廣告發布登記管理規定》) which became effective on 1 December 2016 are the relevant regulations that apply to advertising businesses.

According to the above laws, regulations and rules, a company which is engaged in advertising activities must obtain, from the SAIC or its local branches, a business licence which specifically includes operating an advertising business in its business scope. Failure to do so may lead to orders to rectify, fines and other penalties. An enterprise engaging in advertising business within the specifications in its business scope does not need to apply for registration of releasing advertisement, provided that such enterprise is not a radio station, television station, newspaper or magazine publisher or any other entity otherwise specified in the relevant laws or regulations. A radio station, television station, newspaper or magazine publisher or any other entity otherwise specified in the relevant laws or regulations may be subject to penalties, including fines, confiscation of advertising income and orders to rectify if it conducts advertising releasing activities without completing the required registration. The business licence of an advertising company is valid for the duration of its existence, unless the licence is suspended or revoked due to a violation of any relevant laws or regulations. Foreign investors are allowed to own all equity interests in PRC advertising companies.

REGULATORY OVERVIEW

The PRC Advertisement Law provides that commercial advertising activities of commodity operators or service providers who introduce, directly or indirectly and through certain media and in certain forms, products or services marketed by them within the PRC are subject to the PRC Advertisement Law, and further defines advertisement operators (廣告經營者) to be natural persons, legal persons or other entities that receive a mandate to provide advertisement design, production or agency services.

According to the Opinions on Promoting the Implementation of Advertising Strategy promulgated by SAIC (《國家工商行政管理總局關於推進廣告戰略實施的意見》) on 11 April 2012, SAIC will carry out certain tasks to implement the strategy on advertising industry, such as strengthening the construction of advertising law regime, improving advertising regulatory system, consolidating supervision on advertisement market and promoting the development of advertising industry.

As at the Latest Practicable Date, our PRC subsidiary, Icicle Beijing, was principally engaged in brand management and printing consulting services, production of a variety of printed and packaging materials for brand owners' marketing and brand building purposes, in the PRC. As advised by our PRC Legal Advisers, marketing and branding materials and contents created or produced by Icicle Beijing such as membership cards, tailor-made USB medals and red pocket envelopes are not materials or contents for typical "advertisement". These materials and contents are not provided through typical "media" or "form" through which commercial advertising activities are conducted in the PRC, such as televisions, newspapers and advertising boards. During the course of providing the above design and agency service, Icicle Beijing had not entered into any advertising contracts or contracts that explicitly contemplate engaging in any commercial advertising activities in the PRC. We believe, based on the advice of our PRC Legal Advisers, that Icicle Beijing was not an advertisement operator under the PRC Advertisement Law, and did not engage in any commercial advertising activities under the PRC Advertisement Law. However, we cannot be assured that the relevant PRC government authorities would reach the same conclusion as our PRC Legal Advisers due to the lack of definitions for "advertisement" or "commercial advertising activities" under the PRC Advertisement Law.

PRC laws and regulations relating to telecommunication services, Internet information services and Internet content

Managing online marketing activities, broadcast or distribution of marketing materials and providing digital media production services in the PRC may require a number of licenses or permits depending on the exact activities or services that will be conducting or providing in the PRC.

Pursuant to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) promulgated on 25 September 2000 by the State Council of the PRC and most recently amended in February 2016, a value-added telecommunication services provider in the PRC must obtain an operating license, also called the ICP license (增值電信業務經營許可證). Foreign investment in telecommunications businesses is governed by the State Council's Administrative Rules for Foreign Investments in Telecommunications Enterprises (《外商投資電信企業管理規定》) issued by the State

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Council on 11 December 2001 and most recently amended in February 2016, under which a foreign investor's beneficial equity ownership in an entity providing value-added telecommunications services in China is not permitted to exceed 50%.

Pursuant to the Administrative Regulations for Advertising (《廣告管理條例》) which became effective on 1 December 1987, companies that engage in advertising activities must obtain a business license that explicitly includes advertising in the business scope from the SAIC or its local branches.

Pursuant to the Rules for the Administration of Internet Audio and Video Program Services (《互聯網視聽節目服務管理規定》), commonly known as Circular 56, which became effective on 31 January 2008 and was amended on 28 August 2015, an online audio/video service provider must obtain an Online Audio/Video Program Transmission License (信息網絡傳播視聽節目許可證) and operate in accordance with the scope of business as stipulated in the license. Circular 56 also requires all online audio/video service providers to be either wholly state-owned or state-controlled.

Pursuant to the Online Publication Service Administration Rules (《網絡出版服務管理規定》), or the Online Publication Rules, which was promulgated on 4 February 2016 and became effective on 10 March 2016, companies that provide online publications (i.e. digitized works with characteristics of publishing such as editing, production and processing provided to the public through information networks) through the Internet to the public must obtain the Online Publication Service License (網絡出版服務許可證). The Online Publication Rules expressly prohibit foreign invested enterprises from providing online publication services. In addition, if an online publication service provider intends to cooperate for an online publication services project with foreign invested enterprises, overseas organizations or overseas individuals, it must report to the General Administration of Press and Publication, Radio, Film and Television and obtain an approval in advance.

Pursuant to the Regulations on the Administration of Audio and Video Products (《音像製品管理條例》) promulgated on 25 December 2001 and amended on 6 February 2016, companies that publish, manufacture, replicate, import, wholesale, retail or lease audio or videos products such as video tapes, audio tapes, discs, CDs and VCDs must obtain a relevant permit to conduct the above activities.

Pursuant to the Administrative Measures on the Production and Operation of Radio and Television Programs (《廣播電視節目製作經營管理規定》) promulgated on 19 July 2004 and recently amended on 28 August 2015, anyone who wishes to produce or operate radio or television programs must first obtain an operating permit for their business.

Pursuant to the Internet Culture Administration Tentative Measures (《互聯網文化管理暫行規定》) promulgated on 17 February 2011 and the Measures for the Administration of Online Performance Business Operations (《網絡表演經營活動管理辦法》) promulgated on 2 December 2016, ICP operators engaging in "Internet culture activities" or a online performance business entity engaging in online performance business operations must obtain the Permit for Internet Culture Business Operations (網絡文化經營許可證). The term "Internet culture activities"

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includes, among other things, online dissemination of Internet cultural products (such as audio-video products, gaming products, performances of plays or programs, works of art and cartoons) and the production, reproduction, importation, publication and broadcasting of Internet cultural products.

According to our Group's business plan in the development of the PRC market, our Group does not intend to engage in any of the above activities in the PRC. In the event that our Group engages in any of the activities that require any license and/or permit, we will apply and obtain the required license if we are permitted to do so under the relevant PRC laws and regulations, or collaborate with a third party who has such license or approvals, in order to comply with the above PRC laws and regulations, when we expand our further service offerings in the PRC.

REGULATORY COMPLIANCE

Our Group had complied with all applicable laws and regulations in relation to its business in all material respects and obtained all relevant licences and permits in Hong Kong and the PRC during the Track Record Period and up to the Latest Practicable Date.

REGULATORY AND SHAREHOLDERS' APPROVAL

Save for the approval from the Stock Exchange, no other regulatory approval is required for the Listing. For Shareholder's approval, please refer to the paragraph headed "A. Further information about our Company and our subsidiaries — 3. Written resolutions of our Shareholders passed on 16 November 2017" in Appendix IV to this prospectus.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The history of our business can be traced back to late 1990s when our founder, Mr. Chan, the father of our Controlling Shareholder, Ms. Bonnie Chan Woo, commenced a print management business through Icicle Production and Papercom. Prior to establishing our Group, Mr. Chan primarily worked as a senior management in a number of printing companies in Hong Kong from 1966 to 1997.

Building on his experience and network in the printing industry, Mr. Chan acquired, in February 1998, 50% interest in Icicle Production, which only had minimal business activity at the time, from his spouse. In May 1999, Mr. Chan acquired 50% of the then issued share capital of Papercom from an Independent Third Party. After such acquisition, Papercom was owned by Mr. Chan and Icicle Production as to 50% each. In August 2002, Ms. Bonnie Chan Woo joined our Group as a business development manager. In May 2004, we successfully obtained the first contract from our long established client, which is a well-known local retail chain focusing on the sale of personal care products, through Papercom to provide the printing of point-of-purchase (POP) displays including posters and cards. In August 2006, we secured the first contract with our another long established client, which is a multinational insurance company engaging in insurance and other financial services, where we were responsible for producing its newsletter and corporate stationeries and providing direct mailing services.

In February 2007, Ms. Bonnie Chan Woo was promoted to the position of chief executive officer of Icicle Production. We also established Icicle Beijing in July 2008 to better serve our customers with operations in the PRC.

As part of Mr. Chan's retirement and succession plan, Mr. Chan and Ms. Bonnie Chan Woo had a verbal agreement in May 2013 for Ms. Bonnie Chan Woo to acquire all Mr. Chan's interest in our Group and Ms. Bonnie Chan Woo began to play an active role in our Group. Under the leadership of Ms. Bonnie Chan Woo, we have further expanded our business to the production of creative contents for marketing and branding purposes for use in the emerging digital media in 2013 and in the form of video since 2014 and subsequently expanded to cover marketing production for use in the form of photographs, social media contents, websites and other digital media. Please refer to the section headed "Business" in this prospectus for details of our business model. Over the years, we have been serving local and international brand owners across various business sectors directly, especially in the financial institutions, luxury brand and retail sectors.

We implemented a project information management system in January 2006, which is an online information management system and communications platform for our employees as well as for our customers to monitor the progress of each project. The system was later upgraded and relaunched as "Icicle Hub" in February 2015. Please refer to the paragraph headed "Business — Procedures of our business operations — Project execution and delivery — Project management — Project management by "Icicle Hub"" in this prospectus for the function of the system. We also introduced our employees' incentive scheme based on key performance indicators in January 2014.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

In June 2013, in order to strengthen our corporate governance while also increase the working capital and liquidity of our Group, Ms. Bonnie Chan Woo invited Hertford Global to invest in our Group as our long-term strategic investor who subscribed for approximately 15% interest in our Group at a consideration of approximately HK\$7.2 million. Hertford Global is wholly owned by Mr. Evan Chow, our non-executive Director, who is experienced in the financial industry in Hong Kong. Please refer to the section headed “Directors and senior management” in this prospectus for the biography of Mr. Evan Chow.

BUSINESS DEVELOPMENT MILESTONES

The following events are the key business milestones of our Group since its establishment:

<u>Year</u>	<u>Event</u>
February 1998	Mr. Chan acquired 50% interest in Icycle Production from his spouse
August 2002	Ms. Bonnie Chan Woo, the chairperson of our Board, the chief executive officer and an executive Director joined our Group as a business development manager
May 2004	We were awarded the first contract by our long established client, which is a well-known local retail chain focusing on the sale of personal care products to provide print management of its marketing materials, through Papercom. We have been working with such customer since then
August 2006	We were awarded the first contract by a multinational insurance company engaging in insurance and other financial services to produce its newsletter and corporate stationeries and provide direct mailing services
October 2006	We were awarded the first contract by a banking corporation headquartered in the United States to provide, among other things, print consulting and print management services to its branch in Hong Kong
February 2007	Ms. Bonnie Chan Woo was appointed as the chief executive officer of Icycle Production
February 2007	We were awarded the first contract by a department store with presence in Hong Kong and three major cities in the PRC to produce its marketing materials and provide direct mailing services

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

<u>Year</u>	<u>Event</u>
July 2008	We established our first PRC subsidiary, Icicle Beijing, to expand our business in the PRC
July 2012	We were awarded the first contract by a manufacturer and marketer of cosmetic products to provide, among other things, graphic design and artwork adaptation services
May 2013	Ms. Bonnie Chan Woo acquired beneficial interest in our Group from her father and played an active role in our Group
June 2013	Hertford Global, our long-term strategic investor, invested in our Group.
January 2014	We introduced our employees' incentive scheme based on key performance indicators
May 2014	We commenced business relationship with our second insurance client which provides insurance products in the Asia Pacific. We were engaged to provide brand asset management system and solution to this customer
August 2014	We began our first large scale video marketing production for our key customer, a manufacturer and marketer of cosmetic products
February 2015	We upgraded and relaunched our project management information system known as "Icicle Hub"
December 2016	We commenced business relationship with our third insurance client which is a global investment management company offering a wide range of financial products and services including retirement, asset management and insurance. We were engaged to produce membership application forms for its insurance business

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT

We summarised below corporate development of our operating subsidiaries:

<u>Name of subsidiary</u>	<u>Date and place of incorporation/ establishment</u>	<u>Details</u>
Icicle Production Company Limited	23 April 1991, Hong Kong	<p>Icicle Production was incorporated by two Independent Third Parties (the “Subscribers”), with each subscribing one share in Icicle Production. At the time of its incorporation, Icicle Production had a share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each.</p> <p>On 29 May 1991, the Subscribers transferred one share each to Wisee Consultants Company Limited and See Wide Company Limited, a company owned by Independent Third Parties, respectively, at par.</p> <p>On 5 May 1995, Wisee Consultants Company Limited and See Wide Company Limited transferred one share in Icicle Production to Ms. Chan Cheng Mei Chu Dorothy, the mother of Ms. Bonnie Chan Woo, and Ms. Chan Tak Yin Angela, the elder sister of Ms. Bonnie Chan Woo, respectively, at par.</p> <p>On 25 February 1998, Ms. Chan Cheng Mei Chu Dorothy transferred one share of Icicle Production to Mr. Chan and on 21 July 2006, Ms. Chan Tak Yin Angela transferred one share of Icicle Production to OFL, a company owned by Mr. Chan and his family members (including Ms. Bonnie Chan Woo), at par. After such transfer, Icicle Production was owned as to 50% by each of Mr. Chan and OFL.</p>

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

<u>Name of subsidiary</u>	<u>Date and place of incorporation/ establishment</u>	<u>Details</u>
		<p>On 20 July 2006, Icicle Production allotted and issued four shares at par to each of Mr. Chan and Ms. Bonnie Chan Woo. After such allotment, Icicle Production was owned as to 50% by Mr. Chan, 40% by Ms. Bonnie Chan Woo and 10% by OFL.</p>
		<p>On 25 July 2011, Icicle Production allotted 50 shares, 40 shares and 10 shares at par to Mr. Chan, Ms. Bonnie Chan Woo and OFL, respectively. After such allotment, Icicle Production was owned as to 50% by Mr. Chan, 40% by Ms. Bonnie Chan Woo and 10% by OFL.</p>
		<p>As part of Mr. Chan's retirement and succession plan, Mr. Chan, Ms. Bonnie Chan Woo and OFL transferred their respective shareholding in Icicle Production to Icicle Group on 18 June 2013, and Icicle Production became a wholly-owned subsidiary of Icicle Group after such transfer. Pursuant to the Confirmatory Deed, Ms. Bonnie Chan Woo acquired all interests in GL from Mr. Chan and became the ultimate beneficial owner of 90% of the issued share capital of Icicle Production.</p>
		<p>As at the Latest Practicable Date, Icicle Production was principally engaged in provision of marketing production services in Hong Kong.</p>
Icicle Beijing	31 July 2008, the PRC	<p>Icicle Beijing was established by Icicle Print Management as a wholly-foreign-owned enterprise with a registered capital of HK\$1 million, which was contributed solely by Icicle Print Management.</p>

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

<u>Name of subsidiary</u>	<u>Date and place of incorporation/ establishment</u>	<u>Details</u>
		<p>The People's Government of Beijing Municipality (北京市人民政府) issued a certificate of approval for the establishment of Icicle Beijing on 11 July 2008.</p> <p>On 31 July 2008, the Beijing Administration for Industry and Commerce issued a business licence to Icicle Beijing. As confirmed by two capital verification reports issued by a PRC accounting firm, the registered capital of Icicle Beijing of HK\$1 million had been fully paid up by Icicle Print Management in cash as at 20 May 2009.</p> <p>As at the Latest Practicable Date, Icicle Beijing was principally engaged in the provision of brand management and printing consulting services in the PRC.</p>

DISSOLUTION AND STRIKING-OFF OF NON-OPERATING SUBSIDIARIES

In preparation for Listing, we have dissolved our non-operating or inactive subsidiaries as follows:

Icicle Print Management (Macau) Limited

Icicle Print Management (Macau) Limited had no operation since 1 January 2014, and it shall not form part of our Group upon Listing. As such, a directors' resolution of Icicle Production was passed on 1 December 2015 for the dissolution of Icicle Print Management (Macau) Limited. Icicle Print Management (Macau) Limited was dissolved on 1 December 2015.

Icicle Europe Limited

Icicle Europe Limited had no operation since 1 January 2016. Icicle Group, as the sole shareholder of Icicle Europe Limited, voluntarily applied for striking off of Icicle Europe Limited on 3 December 2015. Icicle Europe Limited was dissolved on 8 March 2016.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Icicle Pte. Ltd.

Icicle Pte. Ltd. had ceased operation since 1 January 2015. A notice was published in the government gazette in Singapore for striking off Icicle Pte. Ltd. Icicle Pte. Ltd. was struck off on 5 December 2016.

Our Directors confirmed that the above companies were solvent on the respective date of dissolution.

DISPOSAL OF INTEREST IN A SUBSIDIARY

Win Win Media is a company established in Taiwan on 28 December 2009. Win Win Media is principally engaged in web and mobile media production.

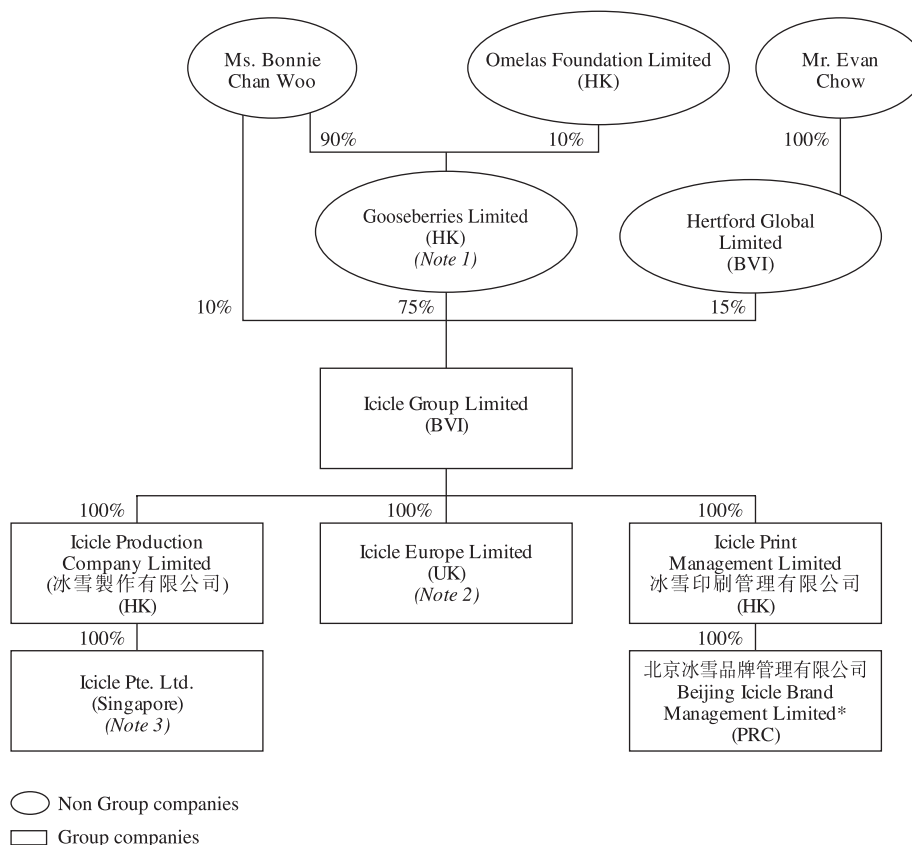
Pursuant to a sale and purchase agreement dated 24 January 2014 entered into between Icicle Production as the purchaser and three Independent Third Parties, as the vendors, Icicle Production acquired approximately 73.8% of the entire equity interest in Win Win Media for a total consideration of NTD3 million (equivalent to approximately HK\$0.8 million at the exchange rate at the relevant time), the completion of which took place on 1 April 2014. Such acquisition was made with a view to create synergy with our business to expand into marketing production in digital-web and mobile platforms.

It was the original investment objective of our Group to ultimately acquire the entire equity interest in Win Win Media and therefore the said sale and purchase agreement provided that Icicle Production was to acquire the remaining 26.2% equity interest subject to the fulfilment of certain pre-conditions. However, the further acquisition as contemplated did not take place due to non-fulfilment of the pre-conditions, being the required profit level of Win Win Media was not met and its accounts receivables were not fully settled on or before the timeline as provided in the sale and purchase agreement. As the original investment objective was not achieved and having considered the performance of Win Win Media, we subsequently mutually agreed with the said original shareholders to unwind our investment in Win Win Media. As such, pursuant to an agreement dated 24 August 2015 and a supplemental agreement dated 30 September 2015 entered into between Icicle Production as the vendor, and the said original shareholders as the purchasers, Icicle Production disposed of all its interest in Win Win Media at its cost of investment of NTD3 million (equivalent to approximately HK\$0.8 million at the exchange rate at the relevant time), the completion of which took place on 13 October 2015. Our Directors confirmed that such disposal has been properly and legally completed and settled. Upon completion of such disposal, Icicle Production ceased to have any interest in Win Win Media.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

GROUP STRUCTURE PRIOR TO THE REORGANISATION

The corporate structure chart below illustrates the corporate and shareholding structure of our Group as at 1 January 2016, immediately prior to the Reorganisation:



Notes:

1. Mr. Chan and Ms. Bonnie Chan Woo entered into the Confirmatory Deed, confirming, among other things, that due to Mr. Chan's retirement and succession plan, both parties had a mutual understanding since 29 May 2013 (the "Relevant Date") in consideration of Ms. Bonnie Chan Woo taking up and assuming the roles and responsibilities of Mr. Chan in the business of GL and all its direct and indirect interest in any or all subsidiaries (the "Target Group Companies"), Mr. Chan irrevocably and unconditionally verbally agreed to sell and transfer to Ms. Bonnie Chan Woo and Ms. Bonnie Chan Woo agreed to acquire, as from the Relevant Date, all interests held by Mr. Chan in (a) the Target Group Companies through the acquisition of the shares in GL free from all encumbrances at a nominal consideration; and (b) OFL. Accordingly, Ms. Bonnie Chan Woo is the beneficial owner of 90% shares in GL and 40% shares in OFL since 29 May 2013. Furthermore, as from the Relevant Date, Mr. Chan irrevocably undertook that he shall cast his votes in the same way on all resolutions at general meetings of GL and the Target Group Companies in line with the decisions and manner of voting as Ms. Bonnie Chan Woo.
2. On 3 December 2015, Icicle Group voluntarily applied for the striking off of Icicle Europe Limited. On 8 March 2016, Icicle Europe Limited was dissolved.
3. On 5 December 2016, Icicle Pte. Ltd. was struck off.

* For identification purpose only

PRE-IPO INVESTMENTS

Subscriptions of shares of Icicle Group by Hertford Global in 2013 and 2016

On 22 June 2013, Hertford Global, Icicle Group and GL, the holding company of our Group prior to the Reorganisation, entered into a subscription and shareholders' agreement, pursuant to which Icicle Group agreed to issue and allot to Hertford Global and Hertford Global agreed to subscribe for 15 fully-paid shares of Icicle Group, representing 15% of the entire issued share capital of Icicle Group immediately upon completion of such subscription for a total cash consideration of HK\$7.2 million (the "**First Subscription**"). After the First Subscription, Icicle Group was held as to 85% and 15% by GL and Hertford Global, respectively.

As part of the Reorganisation, Icicle Group and Hertford Global entered into another subscription agreement on 22 December 2016, pursuant to which Icicle Group agreed to issue and allot to Hertford Global and Hertford Global agreed to subscribe for 1,177 fully-paid shares of Icicle Group, representing approximately 9.4% of the entire issued share capital of Icicle Group immediately upon completion of such subscription for a total cash consideration of approximately HK\$3.8 million (the "**Second Subscription**"). After the Second Subscription, Icicle Group was held as to 77% and 23% by Explorer Vantage and Hertford Global, respectively.

Background of Hertford Global

Hertford Global, a private limited company incorporated in the BVI on 21 May 2013 and is an investment holding company. It is wholly owned by Mr. Evan Chow, our non-executive Director and a substantial Shareholder, as his investment holding vehicle solely to hold his investment in our Group. Please refer to the section headed "Directors and senior management" in this prospectus for the biography of Mr. Evan Chow. Mr. Evan Chow was introduced to Ms. Bonnie Chan Woo, our Controlling Shareholder, in early 2000 through mutual friends.

Further details of the investment

The table below sets out key particulars of the First Subscription and the Second Subscription:

	<u>First Subscription</u>	<u>Second Subscription</u>
Name of the subscriber:	Hertford Global	
Date of subscription:	22 June 2013	22 December 2016
Number of shares:	15 ordinary shares of US\$1.00 each in the share capital of Icicle Group (<i>Note 1</i>)	1,177 ordinary shares of US\$0.01 each in the share capital of Icicle Group

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

	<u>First Subscription</u>	<u>Second Subscription</u>
Consideration:	HK\$7,200,000. Such consideration is equivalent to a subscription price of approximately HK\$0.17 per Share upon completion of the Capitalisation Issue and is equivalent to approximately 68.5% discount to the Offer Price of HK\$0.54 (being the mid-point of the Offer Price range).	HK\$3,840,000. Such consideration is equivalent to a subscription price of HK\$0.11 per Share upon completion of the Capitalisation Issue and is equivalent to approximately 79.6% discount to the Offer Price of HK\$0.54 (being the mid-point of the Offer Price range).
Basis of determination of consideration:	At a valuation of HK\$40.8 million, equivalent to a price-to-earnings ratio of 5.8 times of the net profit after tax but before an extraordinary item of HK\$5,139,000 from the disposal of a then subsidiary of our Group for the year ended 31 December 2012. <i>(Note 1)</i>	At the same agreed valuation as the First Subscription of HK\$40.8 million. This valuation was equivalent to a price-to-earnings ratio of 7.2 times of the net profit after tax for the year ended 31 December 2015, being the latest consolidated financial statements of our Group at the time of the Second Subscription.
Consideration payment date:	25 June 2013	22 December 2016
Investment cost per share:	HK\$480,000 per share of US\$1.00 each in the share capital of Icicle Group <i>(Note 2)</i>	Approximately HK\$3,262.53 per share of US\$0.01 each in the share capital of Icicle Group
Use of proceeds:	Used in the recruitment of staff in digital and cross media production and general working capital. 100% of the proceeds from the First Subscription has been fully utilised.	Used in the recruitment of staff in digital and cross media production and general working capital. 100% of the proceeds from the Second Subscription has been fully utilised.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

	<u>First Subscription</u>	<u>Second Subscription</u>
Benefits to our Group:	<p>The proceeds from the investments increased the general working capital and liquidity of our Group to enhance our financial resources for business growth in terms of increasing our staff force to increase our overall work capacity and expansion into digital and cross media production. We used the proceeds to develop our capability in the production of creative contents for marketing and branding purposes in the form of video and digital production as we hired about eight skilled talents who have video production experience and digital production experience. We also set up a business development team comprising up to five staff to develop overall business development strategy, promoting our Group's services to existing and potential clients and maintaining client relationship. The new capabilities that these new teams brought to our Group diversified our offer of services to align with the growth strategy and have contributed directly to our Group's ability to acquire new clients including one of our major corporate clients during the Track Record Period. The appointment of Mr. Evan Chow, who is experienced in the financial industry in Hong Kong, to the board of directors of our Group, strengthened our corporate governance. Please refer to the section headed "Directors and senior management" in this prospectus for the biography of Mr. Evan Chow.</p>	
Shareholding in Icicle Group upon completion of the subscription:	15%	23%
Shareholdings in our Company immediately after completion of the Capitalisation Issue and the Share Offer:	11.25%	17.25%
Special rights:	<p>Hertford Global is not entitled to any special rights in our Company. (Note 3)</p>	
Lock-up:	<p>As at the Latest Practicable Date, the Shares held by Hertford Global would not be subject to any lock-up after Listing.</p>	

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

First Subscription

Second Subscription

Public float: The Shares held by Hertford Global are not considered as part of the public float as Hertford Global is wholly owned by Mr. Evan Chow, a non-executive Director, and a substantial Shareholder. For details of Mr. Evan Chow, please refer to the section headed “Directors and senior management — Directors” in this prospectus.

Notes:

1. On 31 December 2012, Icicle Print Management disposed of Smart Plus Limited, a then subsidiary of our Group, to GL at a consideration of HK\$1.00 and incurred a loss of approximately HK\$5.1 million. At the time of such disposal, Smart Plus Limited was an investment holding company and its subsidiary was engaged in electronic publishing. As at the Latest Practicable Date, Smart Plus Limited still held 14.4% interest in that subsidiary, which is currently a company with no substantive business operation.
2. On 20 March 2014, Icicle Group underwent a share subdivision on the basis of 100 for one share in Icicle Group. The respective shareholding of GL and Hertford Global remained unchanged after such share subdivision.
3. Pursuant to the subscription and shareholders’ agreement dated 22 June 2013 entered into between Hertford Global, Icicle Group and GL, Hertford Global was granted a right to appoint one director of Icicle Group out of a maximum number of five directors of Icicle Group, so long as it held not less than 7.5% of the issued share capital of Icicle Group. As at the Latest Practicable Date, all shareholders’ agreements in respect of Icicle Group had been terminated.

GL irrevocably granted Hertford Global an option under the subscription and shareholders’ agreement dated 22 June 2013 to require GL to purchase such number of shares of Icicle Group owned by and such amount of shareholder’s loan owed to Hertford Global at an agreed price within an option period which has expired on 22 September 2014. Hertford Global did not exercise such option before the end of such option period.

Sole Sponsor’s view

On the above basis, the Sole Sponsor is not aware of any terms of the pre-IPO investments by Hertford Global which are not in compliance with the “Interim Guidance” HKEx-GL29-12 issued by the Stock Exchange in January 2012 (updated in March 2017), the Guidance Letter HKEx-GL43-12 issued by the Stock Exchange in October 2012 (updated in July 2013 and March 2017) and the Guidance Letter HKEx-GL44-12 issued by the Stock Exchange in October 2012 (updated in March 2017).

OVERVIEW OF THE REORGANISATION

In preparation for Listing, we implemented the Reorganisation to establish our Company and the ownership structure of our Group. The Reorganisation was implemented in the manner described below.

Incorporation of Explorer Vantage

Explorer Vantage, one of our Controlling Shareholders, was incorporated in the BVI on 13 June 2016. On 21 July 2016, Ms. Bonnie Chan Woo subscribed for one ordinary share of US\$1.00 representing the entire issued share capital in Explorer Vantage and became its sole shareholder. Ms. Bonnie Chan Woo was also appointed as the sole director of Explorer Vantage on 21 July 2016.

Acquisition of Icicle Group by Explorer Vantage

Pursuant to a sale and purchase agreement dated 28 July 2016 entered into between GL as the vendor and Explorer Vantage as the purchaser, Explorer Vantage acquired 8,500 ordinary shares of US\$0.01 each representing 75% of the entire issued share capital of Icicle Group at a consideration of HK\$31,390,000, with reference to the net asset value of Icicle Group as at 31 March 2016.

On 28 July 2016, Ms. Bonnie Chan Woo transferred 1,133 ordinary shares of US\$0.01 each representing 10% of the entire issued share capital of Icicle Group to Explorer Vantage at a consideration of HK\$4,185,000, with reference to the net asset value of Icicle Group as at 31 March 2016.

Immediately upon completion of the acquisition as mentioned above, Icicle Group was owned as to 85% by Explorer Vantage and 15% by Hertford Global.

Subscription by Hertford Global

Icicle Group and Hertford Global entered into a subscription agreement on 22 December 2016 as part of the Reorganisation, details of which are set out in the paragraph headed “Pre-IPO investments — Further details of the investment” above in this section.

Incorporation of our Company as a listing vehicle

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 20 January 2017 to act as the proposed listing vehicle. As at the date of incorporation, our Company had an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each, and one Share was allotted and issued to Reid Services Limited, an Independent Third Party, and subsequently transferred to Explorer Vantage on the same day in nil-paid form.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Transfer of Icicle Group to our Company

On 16 November 2017, Explorer Vantage and Hertford Global transferred 9,633 shares and 2,877 shares in Icicle Group, representing the entire issued share capital in Icicle Group, to our Company. In consideration of the transfer, our Company allotted and issued 76 Shares and 23 Shares in our Company to Explorer Vantage and Hertford Global, respectively, credited as fully paid at par, including the first subscriber Share held by Explorer Vantage.

Upon completion of the above transaction, Icicle Group became a wholly-owned subsidiary of our Company.

Our Directors confirmed that the Reorganisation has been properly and legally completed and settled, and that the Reorganisation complied with applicable laws and regulations.

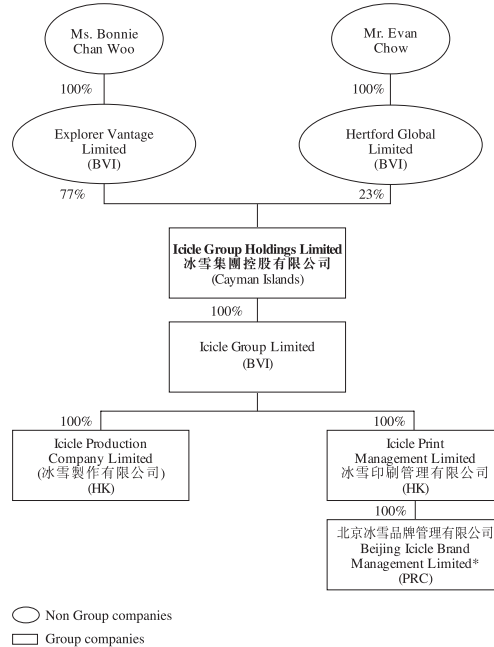
Capitalisation Issue and the Share Offer

On 16 November 2017, our Company increased our authorised share capital from HK\$380,000 to HK\$10,000,000. Conditional upon the share premium account of our Company being credited as a result of the issue of the Offer Shares pursuant to the Share Offer, our Directors are authorised to capitalise the amount of HK\$3,599,999 from the share premium account of our Company by applying such sum towards the paying up in full at par a total of 359,999,900 Shares for the allotment and issue to the Explorer Vantage and Hertford Global on the basis of 3,599,999 Shares for each Share held by them, on a pro rata basis.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

GROUP STRUCTURE FOLLOWING THE REORGANISATION AND PRIOR TO THE CAPITALISATION ISSUE AND THE SHARE OFFER

The following chart shows our corporate and shareholding structure upon completion of the Reorganisation but immediately before completion of the Capitalisation Issue and the Share Offer:

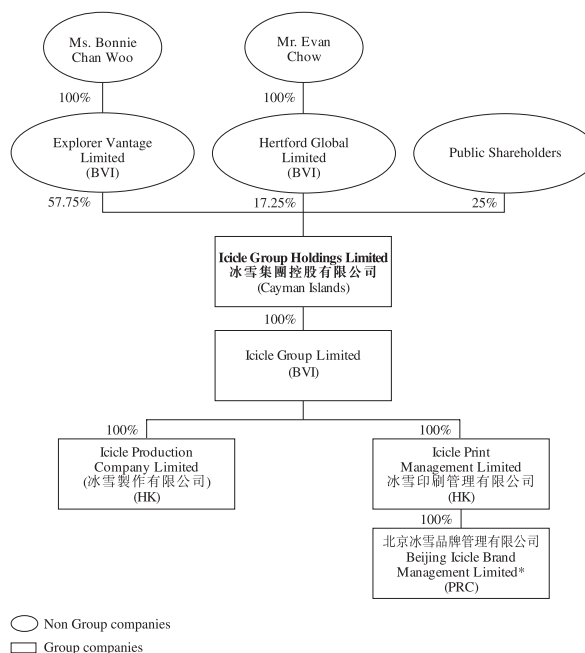


* For identification purpose only

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

GROUP STRUCTURE FOLLOWING COMPLETION OF THE CAPITALISATION ISSUE AND THE SHARE OFFER

The following chart shows our corporate and shareholding structure immediately following the completion of the Capitalisation Issue and the Share Offer:



* For identification purpose only

Note: The following table summarises the brief details of each of our Group companies following completion of the Capitalisation Issue and the Share Offer:

Name of Group companies	Date of incorporation/ Date of establishment	Place of incorporation/ Place of establishment	Principal activities	Percentage of effective equity interest attributable to our Company
(a) Icube Group	29 May 2013	BVI	Investment holding	100%
(b) Icube Production	23 April 1991	Hong Kong	Provision of marketing production services in Hong Kong	100%
(c) Icube Print Management	8 November 2007	Hong Kong	Investment holding	100%
(d) Icube Beijing	31 July 2008	PRC	Provision of brand management and printing consulting services in the PRC	100%

OVERVIEW

Our Group is a marketing production company headquartered in Hong Kong with a focus on printing, packaging and sourcing. During the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 88.9%, 89.5% and 89.0% of our revenue were derived from physical media production and management in printing, packaging and sourcing services, respectively. We design, create and produce marketing and branding materials and contents in Hong Kong and the PRC to clients who are international and local brand owners, including global financial institutions, luxury brand retailers and local retail chain stores. Commencing our business in late 1990s, we have over 18 years of experience in project management and production of printed marketing and branding materials. We have further expanded our business to the production of creative contents for marketing and branding purposes for use in the emerging digital media in 2013 and in the form of video since 2014, and subsequently expanded to cover marketing production for use in the form of photographs, social media contents, websites and other digital media.

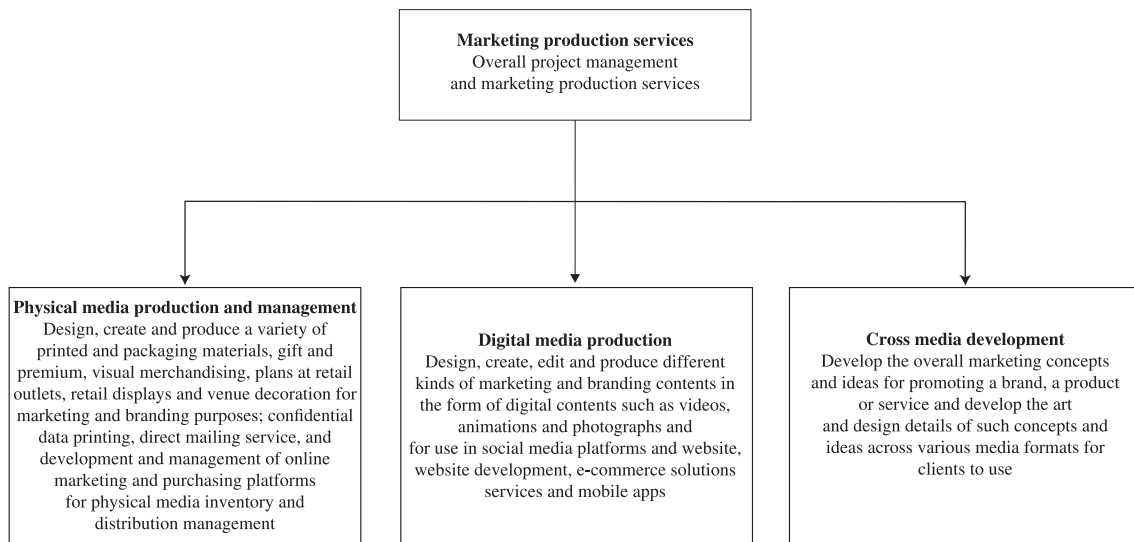
Our services include overall project management and marketing production services to meet clients' marketing and brand building requirements, which are divided into three services categories:

- (i) **Physical media production and management** — we design, create and produce a variety of printed and packaging materials, gifts and premium, visual merchandising plans at retail outlets, retail displays and venue decoration for marketing and branding purposes. We also offer print and logistics management such as confidential data printing, direct mailing service, and development and maintenance of online marketing and purchasing platforms for physical media inventory and distribution management;
- (ii) **Digital media production** — we design, create, edit and produce different kinds of marketing and branding contents in the form of digital contents such as videos, animations and photographs where we are involved in concept development, storyboards creation, script writing, casting, shooting and postproduction work. We also design, create and produce marketing and branding contents for use in social media platforms and websites, develop websites for the Internet and intranet, provide e-commerce solutions services by maintaining websites of our clients and develop mobile apps; and
- (iii) **Cross media development** — we develop the overall marketing concepts and ideas for promoting a brand, a product or service for our clients and develop the art and design details of such concepts and ideas across various media formats for our clients to use.

BUSINESS

We believe that our marketing production services enable brand owners to create diversified yet consistent branding materials and contents to increase brand awareness, enhance brand value as well as create brand premium. We facilitate our clients to implement their branding and marketing strategies in a more flexible and cost-efficient manner without having to use multiple service providers for physical media production and management, digital media production and cross media development.

During the Track Record Period, there had not been any change in the business focus of our Group. The following diagram illustrates our marketing production services as at the Latest Practicable Date:



We offer flexibility to our clients who can engage us for all or any part of the marketing production services illustrated above or engage us for marketing concept and idea development of their branding materials and contents without production. They can also only engage us for branding material inventory management and logistic arrangement.

For the two years ended 31 December 2016, our revenue from continuing operation amounted to approximately HK\$85.7 million and HK\$91.0 million, respectively, representing a year-on-year growth of approximately 6.2%. For the five months ended 31 May 2017, our revenue from continuing operation amounted to approximately HK\$28.3 million. The following table sets forth a breakdown of our revenue from continuing operation by service category during the Track Record Period.

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	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Physical media production and management								
— Printing, packaging and sourcing	76,153	88.9	81,421	89.5	29,490	90.1	25,166	89.0
— Visual merchandising, retail displays and venue decoration	2,448	2.8	1,175	1.3	674	2.1	736	2.6
Sub-total	78,601	91.7	82,596	90.8	30,164	92.2	25,902	91.6
Digital media production	2,153	2.5	3,043	3.4	727	2.2	1,318	4.7
Cross media development	4,922	5.8	5,316	5.8	1,829	5.6	1,067	3.7
Total	85,676	100.0	90,955	100.0	32,720	100.0	28,287	100.0

The following tables set forth a summary of our revenue from continuing operation by project fees charged by our Group during the Track Record Period:

	For the year ended 31 December		For the five months ended 31 May
	2015	2016	2017
	Range of project sum in terms of project fees charged by us	HK\$13–2,456,359	HK\$21–2,389,495

Revenue from continuing operation by range of project size:

	For the year ended 31 December				For the five months ended 31 May	
	2015		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
HK\$10,000 or below	10,824	12.6	8,937	9.8	3,404	12.0
HK\$10,001 to HK\$100,000	37,946	44.3	37,404	41.1	14,880	52.6
HK\$100,001 to HK\$500,000	24,802	29.0	31,348	34.5	8,983	31.8
HK\$500,001 or above	12,104	14.1	13,266	14.6	1,020	3.6
Total	85,676	100.0	90,955	100.0	28,287	100.0

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	For the year ended 31 December		For the five months ended 31 May
	2015	2016	2017
	Average project sum charged by us by service category (Note)		
Physical media production and management	HK\$17,363	HK\$19,614	HK\$16,885
Digital media production	HK\$16,687	HK\$18,009	HK\$28,043
Cross media development	HK\$5,995	HK\$14,025	HK\$10,772

Note: Average project sum is the total project sum divided by the total number of projects for each of the service category in the respective financial year/period.

The following table sets forth the breakdown of our revenue from continuing operation by geographical location of our clients during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May	
	2015		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Hong Kong	71,020	82.9	82,221	90.4	25,398	89.8
The PRC	4,910	5.7	2,687	3.0	863	3.0
Others	9,746	11.4	6,047	6.6	2,026	7.2
Total	85,676	100.0	90,955	100.0	28,287	100.0

Note: Others include Singapore, Japan, Australia, the United Kingdom, the United States, Belgium and other countries which individually contributed less than 5.0% of the revenue from continuing operation for the respective financial year/period.

We believe that our success is built on our service quality as well as work efficiency in the market. Given our diversified clientele and services we offer to our clients, we have been adopting our self-developed project management information system “Icicle Hub” since February 2015 to effectively monitor our projects in progress and maintain a centralised database of our clients. This system allows clients to access up-to-date information of on-going projects handled by us as well as archived data of completed projects. It also enables a better cooperation among our staff of different departments and teams internally for greater work efficiency. Our Directors believe that this system enhances the transparency between us and our clients, helps us to excel in our overall performance and enhance customer experience.

During the Track Record Period, we have served renowned brands in different industries. Our Directors believe our multi-cultural management team, some of them have substantial prior overseas work experience, is instrumental to our success in attracting and retaining international renowned brand owners from diversified business sectors. This enables us to understand our clients who have

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businesses in different parts of the world. We believe that our cross-cultural talents could prove useful to these international renowned brand owners in offering solutions to bridge the gaps and minimise cross-cultural miscommunication and conflicts among the brand owners' local, regional and global decision makers, especially in adapting and implementing global branding and marketing strategies and concepts to fit the relevant local market.

As at the Latest Practicable Date, we had a total of 1,944 contracts/quotations on hand awarded by 147 clients with an aggregated sum of approximately HK\$56.7 million remaining unrecognised as revenue from continuing operation. We generally do not enter into long-term agreements with our clients, however, we have served our top ten clients during the Track Record Period for an average of over seven years. The following table sets forth a summary of our projects during the Track Record Period:

	<u>For the year ended 31 December</u>		<u>For the five months ended 31 May</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Number of clients	243	232	136
Number of projects engaged	5,174	4,482	1,659
Range of projects period			
Less than one month	4,302	3,727	1,432
One month to less than six months	829	732	221
Six months to one year	34	23	6
More than one year	9	—	—
Number of projects by project fees			
HK\$10,000 or below	3,773	3,038	1,137
HK\$10,001 to HK\$100,000	1,261	1,297	478
HK\$100,001 to HK\$500,000	125	136	40
HK\$500,001 or above	15	11	4

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OUR CONTRACT BACKLOG

The table below sets out the monetary value movement of outstanding project value of our projects during the Track Record Period:

	HK\$'000 <i>(Note 1)</i>
Outstanding project value on hand as at 1 January 2015	5,546
New project value during the year ended 31 December 2015	86,657
Billed project value during the year ended 31 December 2015	(85,676)
Terminated project/discount by bargain/foreign currency translation during the year ended 31 December 2015 <i>(Note 2)</i>	<u>(237)</u>
Outstanding project value on hand as at 31 December 2015 and carried forward to 1 January 2016	6,290
New project value during the year ended 31 December 2016	90,399
Billed project value during the year ended 31 December 2016	(90,955)
Terminated project/discount by bargain/foreign currency translation during the year ended 31 December 2016 <i>(Note 2)</i>	<u>(1,844)</u>
Outstanding project value on hand as at 31 December 2016 and carried forward to 1 January 2017	<u>3,890</u>
New project value during the five months ended 31 May 2017	31,083
Billed project value during the five months ended 31 May 2017	(28,287)
Terminated project/discount by bargain/foreign currency translation during the five months ended 31 May 2017	<u>(42)</u>
Outstanding project value on hand as at 31 May 2017 and carried forward to 1 June 2017	<u>6,644</u>
Project completion rate (%) <i>(Note 3)</i>	
During the year ended 31 December 2015	93.2%
During the year ended 31 December 2016	95.9%
During the five months ended 31 May 2017	81.0%

Notes:

1. Due to the business nature of our Group, we did not have any direct costs.
2. There are no outstanding receivables in connection with the terminated engagements.
3. The project completion rate is the total billed project value during the year/period divided by the total project sum. The total project sum represents the outstanding project value carried forward plus new project value during the year/period and deduct the terminated project/discount by bargain/foreign currency translation.

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The table below sets out the number of outstanding projects during the Track Record Period:

	Total
Number of outstanding projects on hand the work of which was not completed as at 31 December 2015 and carried forward to 1 January 2016	186
Number of outstanding projects on hand the work of which was not completed as at 31 December 2016 and carried forward to 1 January 2017	139
Number of outstanding projects on hand the work of which was not completed as at 31 May 2017 and carried forward to 1 June 2017	134

The table below further sets forth the outstanding value of active projects on hand as at the Latest Practicable Date and the expected amount of such revenue to be recognised during the year ending 31 December 2017:

Number of active projects	1,944
Outstanding project value as at the Latest Practicable Date and will be recognised during the year ending 31 December 2017 (<i>HK\$'000</i>)	56,691

The table below sets out the number of terminated projects and projects discount by bargain with project value during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May 2017	
	2015		2016			
	Number of project	Project value	Number of project	Project value	Number of project	Project value
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Terminated project	39	77	10	1,646	3	13
Project discount by bargain	9	12	5	27	—	—

As a marketing production company, we work with a variety of suppliers and subcontractors in the provision of our services to our clients. During the Track Record Period, our suppliers and subcontractors include (i) printing companies and photo and video shooting service providers; and (ii) suppliers of papers and other packaging and sourcing materials, courier service providers and logistic service providers. We maintained a list of over 900 suppliers and subcontractors as at the Latest Practicable Date.

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We have been focusing in the Hong Kong market since our business commencement and have been extending our footprint in the PRC market since 2008. Approximately 82.9%, 90.4% and 89.8% of our revenue from continuing operation was generated from Hong Kong market for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively.

In view of the rise of diversified emerging digital media channels and the fact that some of our clients or potential clients have business interest in different parts of the world, we believe our marketing production business model, which covers overall project management and marketing production services, stands us in good stead in catering to the needs of the brand owners in a constantly changing and competitive market. While our Group will continue to strive to maintain a sustainable growth in Hong Kong market, as part of our growth strategies, we intend to further expand our business in the PRC in the future.

COMPETITIVE STRENGTHS

We believe that our success is attributed to, among other things, the following competitive strengths:

We have extensive and solid clientele

We have an extensive and diversified client base across various business sectors including international luxury brands in the cosmetic, beauty and fashion industry, retail chain for personal care products, department stores selling designer labels, banks, insurance companies and other financial institutions, fast food restaurant chains, property developers and other multi-national corporations. During the Track Record Period, we have served over 340 brand owners. Other than our three largest clients, no other single client contributed more than 5% of our revenue from continuing operation for each of the two years ended 31 December 2016 and the five months ended 31 May 2017. Please refer to the paragraph headed “Clients” in this section below for details of our clients.

We have also maintained stable and long established relationships with our major clients. As at the Latest Practicable Date, our largest client during the Track Record Period, which is a global financial services company and first became our client in August 2006, and our second largest client, which is a local retail chain stores, had over 13 years of business relationship with our Group. On average, we maintain over six years of business relationships with our other top ten clients during the Track Record Period. For the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 59.3%, 56.0% and 56.6% of our clients were recurring clients who used our services more than one time in the relevant period. In recognition of our quality services, our clients refer new clients to us from time to time.

We have a multi-cultural management team to work with our international brand owners. Ms. Bonnie Chan Woo, our chairperson of the Board, chief executive officer and executive Director, has built solid experience in serving renowned international brands since joining our Group in August, 2002. We have also employed foreign talents in our marketing production teams including our creative studio director and our senior director in art and video for creative video production.

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We believe our multi-cultural management team, some of them have substantial prior overseas work experience, are instrumental to our success in attracting and retaining international renowned brand owners from diversified business sectors. This enables us to understand our clients who have business interests in different parts of the world. We believe that our cross-cultural talents could prove useful to these international renowned brand owners in offering solutions to bridge the gaps and minimise cross-cultural miscommunication and conflicts among the brand owners' local, regional and global decision makers, especially in adopting and implementing global branding and marketing strategies to fit the relevant local market.

We have strong ability to provide marketing production services to brand owners

Our business model assists our clients to implement their branding and marketing strategies in a diversified, flexible, consistent and cost-efficient way. As part of our services, having understood the marketing or branding objectives and strategies of our clients, we design and create marketing and branding materials and contents, source the production, handle the overall project management and quality control and arrange for distribution of relevant materials and contents in a scalable and consistent manner for our clients. Notwithstanding the diversified marketing production services provided by us, our clients have the flexibility to engage us for all or any part of our services. According to the Ipsos Report, both Hong Kong and the PRC market in the marketing service industry are highly fragmented and competitive with a large number of small to medium-sized players. There is an intense competition among existing players, our Directors believe that our ability in the design and production of a wide range of marketing and branding materials and contents across different media formats covering both physical media and digital media is our competitive advantage among competitors in the market.

We have over 18 years of experience in the production of printed materials for brand owners. Since 2013, we have further extended our lines of business to the production of creative contents for marketing and branding purposes for use in the emerging digital media in the form of videos and subsequently in the form of photographs, as well as for use in various social media platforms, websites, apps and mobile sites. To enhance our service quality and work efficiency, we have been using our self-developed project management information system "Icicle Hub" since February 2015 to centralise our management of the works for our clients. We believe, through our business model, which covers overall project management and marketing production services, brand owners can outsource a large part of their marketing production function to us after having set an overall marketing strategy and budget, thereby enabling them to achieve greater efficiency, consistency and flexibility in the allocation of their budgets and resources for the promotion of their brands, products or services across multimedia platforms. For the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 31.7%, 34.5% and 27.9% of our clients engaged us for the design and production of marketing and branding materials and contents in more than one type of media format, respectively.

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During the Track Record Period, we have served over 340 brand owners across a wide variety of business sectors. Our Directors believe that our proven track record in serving internationally renowned brand owners of diversified industries helps us to retain our existing clients and attract potential new clients to further expand our business network.

We develop our own team of talents for optimisation of performance

Our Directors believe that building our own team of talents with different specialities to manage projects in-house distinguishes us from other market players. As at the Latest Practicable Date, our strategy and business development team consisted of five staff. Our project management team consisted of ten persons and marketing production team consisted of 35 persons as at the Latest Practicable Date. When we are approached by a client for a fee proposal, our strategy and business development team works closely with our marketing production team, which comprises talents specialising in creative development in art and design and production for different media formats, to offer creative ideas to our clients and provide practical solutions to implement the ideas. Upon confirmation of any engagement, our project management team communicates with and takes instructions from our clients from time to time and monitors overall work progress, while the team works closely with the marketing production team for production and deliveries. With our integrated teams of talents, we are able to directly manage projects and respond to clients in a timely manner, thus enhance our overall work efficiency, consistency and quality.

Our experienced management team is supported by well-trained employees

We are led by a team of professional and experienced senior management. Ms. Bonnie Chan Woo, our chairperson of the Board, chief executive officer and executive Director, has over 15 years of experience in marketing production and company business management based on her experience in our Group. Our senior director, head of operations, Ms. Cheung Suet Fun, possesses over 18 years of experience in print management and marketing production field. Other senior management also have more than 10 years of experience in accounting and finance, sales and marketing and project management. For biographical details of our Directors and senior management, please refer to the section headed “Directors and senior management” in this prospectus.

Our management team is supported by our well-trained employees in marketing production. We provide training to our employees from time to time and give them opportunities to work in a variety of projects for clients across different business sectors. Our management believe that such arrangement will equip them with necessary job-specific skills and keep them up-to-date with the market trends. We strive to work out innovative ideas within clients’ budgets and timeline in the competitive and fast-moving industry. We have therefore adopted internal policies to enhance cohesiveness between departments and teams for better work efficiency, quality and greater customer satisfaction.

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To maintain our market share, enhance our service quality and attract more brand owners to engage our services, we intend to, among others, hire a total of 27 additional talents to enhance our service offering and capacity, upgrade and expand our work premises and infrastructure, and to implement the following business strategies upon Listing:

Enlarge our social media marketing production capability and offering

According to the Ipsos Report, digital marketing has contributed a significant portion of corporate marketing expenditure in Hong Kong and the PRC and such trend is expected to continue. Despite over 90% of our revenue from continuing operation was derived from physical media production during the Track Record Period, our Directors recognised the importance of enhancing our capability in social media marketing production to capture the growth opportunities to further increase our revenue from digital media production.

As at the Latest Practicable Date, our project management team consisted of ten persons and our marketing production team consisted of 35 persons. Among them, our digital media production team had seven members comprising a head of social media, two project managers, one digital media production manager, two programmers and one cross media marketing production talent. As we evolved from simple digital media production to more sophisticated offer geared towards social media production, we have identified skilled talents from our existing pool of staff and expanded the team in the past one year to capture the growth in our social media production. Our social media production team has the relevant skills and expertise in social media planning, content production, photography and mobile video production, project and account management, data analytics and reporting. Our Directors believe that our social media production team will be the backbone for our expansion in social media marketing production services, and they will be able to work hand in hand with the new recruits of our Group to enlarge our capability and capacity to capture further growth in this service category.

Our Directors intend to utilise approximately 18.3% of the net proceeds, or approximately HK\$8.0 million for enlarging our social media marketing production capability and offering, of which (i) approximately HK\$0.3 million will be used to develop strategic business relationship with a social media influencer marketing company; (ii) approximately HK\$2.5 million will be used to implement a data analytic platform; (iii) approximately HK\$0.5 million will be used to set up a data management team; and (iv) approximately HK\$4.7 million will be used for the expansion of social media production team for developing social media offering, by implementing the following strategies:

(i) *Develop strategic business partnership and implementation of a data analytic platform*

In July 2017, having considered the reputation, expertise, experience and clientele, we entered into a letter of intent to cooperate with an international social media influencer marketing company (the “**US-based Business Partner**”) aiming to connect international brands with Asian markets and with a vision to connect Chinese brands with overseas market

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in a longer term. The US-based Business Partner is a private company incorporated and headquartered in Los Angeles, California, the United States. The US-based Business Partner provides social media influencer search with relevant content and analytics, and it is experienced in different industries, including automotive, entertainment, beauty, consumer electronics, consumer goods, fashion, fitness and travel. We considered such strategic partnership to be mutually beneficial to us and the US-based Business Partner, as the US-based Business Partner is a fast growing social media influencer marketing company and its proprietary platform can analyse a large amount of content from influencers. In this regard, we intend to use approximately HK\$0.3 million from the net proceeds to develop such strategic business partnership which entails business negotiation, staff training and overseas travelling, service launch, brand building in the industry in the region, market entry into Hong Kong and the PRC.

At the initial stage of the strategic business partnership with the US-based Business Partner, we will act as its execution partner to work directly with it to implement social media influencer marketing campaigns for its global clients with needs in Hong Kong and other Asian locations. The US-based Business Partner will source global deals from end clients for the provision of social media influencer marketing campaigns in various countries including the United States and Asia and it will refer the part of the works involving Asia to us for execution while it will execute the part of the works involving the United States. Under this arrangement, we must be committed to execute the works referred to us. We will charge the US-based Business Partner or the end clients, as the case may be, directly at cost plus for our works but we are not required to pay any commissions, referral fees or to share any profits with the US-based Business Partner. A typical social media marketing campaign will involve us to select influencers or known as “key opinion leaders” in the region to work with us to produce social media posts to promote a particular product or service for the client as part of a global campaign. There is no profit or cost sharing for us to act as the execution partner of the US-based Business Partner. Any jobs originated from the US-based Business Partner will be charged the same way as our other clients with an agreed credit period of 30 days upon receipt of invoice from us. Any payments to influencers selected by us can be paid directly by the US-based Business Partner or by us to the influencer. As at the Latest Practicable Date, we had launched the first pilot social media influencer project working jointly with the US-based Business Partner where we were involved in the management and execution of the activation of the product campaigns in three markets including the PRC, Korea and Singapore. We identified and recommended the right influencers for the campaigns in the three markets, coordinated content production with influencers, managed influencer content to ensure all content was on-brand, and align with the brief and objective of the campaign and built long-term collaborations with influencers for future campaigns. We have engaged multiple influencers across the three markets and produced content on popular social media platforms.

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At the next stage of such strategic business partnership, we plan to implement a data analytic platform with a target to focus on the social media audience in the Asian market in the second half of 2018 by entering into a licensed partnership with the owner of such platform operated by the US-based Business Partner. As at the Latest Practicable Date, we had yet to discuss with the US-based Business Partner the details of payment terms for the licensed partnership on the data analytic platform. We believe the licensed partnership offers a platform with a proven track record market which allows us to extract proprietary social media engagement data in the Asian market at granular level to provide insights to brand owners on related performance of specific marketing messages or branding posts on social media. Our Directors believe that such platform and other associated technologies are becoming increasingly popular as they allow brand owners to strategically allocate their digital marketing budgets. With the implementation of such platform, we would have a competitive advantage in advising brand owners on their social media marketing plans in terms of creative direction, budget allocation and target audience. It also allows us to build longer and retainer-based relationships with our clients. We intend to allocate approximately HK\$2.5 million from the net proceeds for the implementation of the data analytic platform, being approximately 31.3% of the HK\$8.0 million for enlarging our social media marketing production capability.

(ii) *Set up data management team*

Prior to the implementation of the data analytic platform as mentioned above, we plan to use approximately HK\$0.5 million from the net proceeds to initiate our social media data analysis capabilities by setting up a data management team of two staff by the end of 2017 which will focus on the management and analysis of online data for our clients collected from social media platforms and other digital media channels such as websites and apps.

We expect the data management team to take approximately six months to ramp up and to be fully able to analyse the needs of each type of brand clients, and produce regular reports of commercial value at macro and micro levels for them. At macro level, reports would include analysis of social media influencers' effectiveness on reaching a target audience for particular categories of products and services in different regions. We believe that such data is useful for brands in selecting social media influencers for implementing their social media campaigns. At micro level, reports would reflect the engagement level and the reach of clients' social media accounts down to the granular level for each social media post, including those posts that are published by social media influencers who have opted to associate the post with the clients' official brand accounts. We believe that this data management and analytic capability will enable us to provide value-added services to our clients which is critical for the success of their strategic planning for their social media activities. After the implementation of the data analytic platform as mentioned above, this data management team will be also responsible for managing such data analytic platform.

(iii) *Develop social media offering to cater for international and Chinese brands*

We intend to use approximately HK\$4.7 million from the net proceeds to our expand social media marketing production team by hiring six additional talents, including a social media project manager, a data analyst, two social media specialists, a social media business manager and a social media planner by June 2019 to develop social media offering such as formulating social media strategy and producing social media posts to promote a particular product to cater for brands.

Amongst the six new recruits, the data analyst and one of the two social media specialists will focus exclusively on the China market. Their services will be built upon meeting the needs of Chinese brands looking to reach out to overseas markets through influencer marketing, which is intended to target global consumers, with a focus on markets such as North America, Europe and South East Asia by utilising popular international social media platforms. We consider many Chinese brands such as those in hospitality and tourism are increasingly interested in developing international recognition and will allocate marketing budget to social media, we expect there will be increasing interest from these Chinese brand owners to look for Hong Kong-based service providers like us for the relevant marketing production services.

We expect that the market trend will develop as described above and we have been approached by operators in this field to partner up to develop the business together. As a result, we have started to offer the service in alliance with the US-based Business Partner and have launched a pilot project. We are also in talks with two international brands for projects that we expect to deliver by the end of 2017. We intend to continue to properly launch the service to our existing client base, and extend to other brand owners in China as our capability in China is built up. With the extended capabilities, global network and strategic partnership with the US-based Business Partner, our Group will also solicit new clients in Hong Kong and Asia to provide social media marketing production services accordingly to connect brands in Asia with overseas market in the second half of 2019.

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The detailed breakdown of the number of headcounts for items (ii) and (iii) above and the timeline on the recruitment to enlarge our social media marketing production capability and offering are as follows:

	From the Latest Practicable Date to 31 December 2017	For the six months ending 30 June 2018	For the six months ending 31 December 2018	For the six months ending 30 June 2019	For the six months ending 31 December 2019	Total
<i>Data management</i>						
Senior data analyst	2	—	—	—	—	2
<i>Social media marketing production</i>						
Social media project manager — Regional	—	1	—	—	—	1
Social media specialist — Regional			1			1
Social media business manager	—	—	—	1	—	1
Social media planner	—	—	—	1	—	1
Data analyst — China clients	—	1	—	—	—	1
Social media specialist — China clients	—	—	1	—	—	<u>1</u>
Total						<u><u>8</u></u>

Feasibility of our implementation plan

Our Directors believe that our implementation plan as outlined above in relation to the expansion of social media marketing production capability and other offering is feasible based on our observation in other regions such as North America and Europe, and we are replicating the model in Asia with a clear plan of starting as an execution partner to move onto a licensed partner as strategy unfolds, and having considered the following:

- (i) our established clientele for us to tap into expanding our service offering;
- (ii) our experience and track records in the involvement of digital media production projects of not less than 465 projects during the Track Record Period, which included among others, the e-commerce websites for various clients that we managed; our production and delivery through various digital media including video, photographs, campaign websites and social media platforms for Client D who

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launched its newly-design champagne bottle to the market; the production of website visual contents for new products launch and other marketing campaigns or promotions for Client E's websites, which are accessible by users from around the world; and a skeletal social media production team by the end of 2016 with an intention to develop our business in content production for use on social media platforms. For details of our experience in digital media production, please refer to the paragraphs headed "Our business — Digital media production" and "Representative examples of our marketing production services for key clients" in this section;

- (iii) our solid track record in physical media production and management services of over 18 years which produces consistent income flow with our existing capital and resources to provide stable and immediate available resources to support the implementation plans to expand our digital media production service;
- (iv) our established workflow, approach and methodology which are applicable across physical media production and management, digital media production and cross media development whereby project management and marketing production services are common significant elements of our services even if the media of delivery may be different;
- (v) the positive feedback and customer satisfactions we received from our clients in relation to such projects in the past are useful reference and guidance to our Group to further enhance the skills and experience of our staff to better understand the industry norm and clients' needs for the future development of digital media production service;
- (vi) our existing in-house capability consisted of a team of eight members spanning across digital media production including social media capability as at the Latest Practicable Date together with our additional hire to expand our in-house capability using the net proceeds from the Share Offer who have and would have the relevant experience to develop a business offer catering to the market needs and execute such projects satisfactorily; and
- (vii) our Directors consider that the cooperation with the US-based Business Partner will be in the interest of our Group for our overall business development in the long run which does not limit to the expansion of digital marketing but also the marketing production services of our Group as a whole due to the enlarge of global network from acquiring the social marketing capabilities.

Enhance our overall service offering and expand the team across three categories

We intend to utilise approximately 20.9% of the net proceeds, or approximately HK\$9.1 million for enhancing our overall service offerings and expanding the team across three categories through recruiting a total of 11 staff in addition to our current structure and providing overall

training to the new recruits. Our Group expects that, on average, a new position will take six to twelve months to be fully developed to leverage on the synergies with the rest of our Group and each individual talent will take between three to twelve months to ramp up to reach an optimal point of productivity in our Group, therefore a rapid expansion plan via recruitment will require sufficient capital to support the recruitment efforts (including recruitment costs and expenses), talent development and performance management as upfront investment.

Our overall team expansion strategy includes:

(i) *Provision of strategic brand development to our clients*

To better meet the brand owners' demand for one-stop marketing production services, we intend to further extend the scope of our services upstream to include the provision of strategic brand development. This includes advising on the overall strategy for brand building, overall marketing concept development and the implementation plan including data analysis, budget allocation and project timeline planning. We will recruit one strategist and planner for this purpose, who will be supported by our existing talents.

(ii) *Offer original content production services*

Our Directors observed that with brand owners increasingly gaining direct access to their target audience through their own social media accounts or through digital marketing, brand owners are increasingly showing interest in working with marketing production company to produce original contents where they can exploit the contents through product placements or brand association to connect to the audience to enhance their brand awareness and positioning. Original content production services are different from our marketing production services as we will need to produce the motion contents based on ideas and concepts originated in-house, and the same motion contents can be sold to multiple brand owners to promote various products and services with product placement, sponsorships and adaptations. On the other hand, for our marketing production services, we design, create, edit and produce different kinds of marketing and branding contents based on the ideas and concepts given by our brand owner clients through design, creative, content development and production of different kinds of marketing and branding materials.

To cope with this industry trend, we will strengthen our service offerings to include original content production by setting up a team of three talents, comprising a producer, an editor and a showrunner by the first half of 2018. Our team will self-develop creative ideas and concepts for the production of motion contents which will be sold to the brand owners for their marketing and branding purposes, while the production is generally commissioned by brand owners.

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(iii) *Enhance our overall capacity in project management and marketing production*

Our Directors believe that an effective and diverse team of talents is the key to our continuous growth and success. Accordingly, we will increase our headcounts by recruiting additional seven talents in project management and marketing production by the end of 2019 and attract more professionals with competence and relevant experience to join our Group.

The detailed breakdown of the number of headcounts for items (i) to (iii) above and the timeline on recruitment are as follows:

	From the Latest Practicable Date to 31 December 2017	For the six months ending 30 June 2018	For the six months ending 31 December 2018	For the six months ending 30 June 2019	For the six months ending 31 December 2019	Total
<i>Strategic and business development</i>						
Strategist and planner	1	—	—	—	—	1
<i>Original content production</i>						
Producer	1	—	—	—	—	1
Editor	1	—	—	—	—	1
Showrunner	—	1	—	—	—	1
<i>Physical media production</i>						
Retail and event display experience specialist	1	—	—	—	—	1
<i>Digital media production</i>						
Digital media manager	—	1	—	—	—	1
<i>Cross media production</i>						
Creative director	—	1	—	—	—	1
Senior designer	—	1	—	—	—	1
<i>Project management</i>						
Senior manager	—	—	—	1	—	1
Team leader	—	—	—	2	—	2
Total						<u>11</u>

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Our Directors believe that, with the enlarged team of talents with different background, expertise and experience, we can improve our capacity and capability to take up more jobs to generate more revenue. They can also collaborate to improve and enhance our service standard and offering to support the continuous growth of our business in the long run. With the extension of scope of services and coupled with the optimisation of our existing marketing production capability, we believe that we can offer more diversified services for greater customer satisfaction and cost efficiency.

Set up a studio and expand our work premises

In order to support the business expansion as described above, we intend to utilise approximately 26.1% of the net proceeds, or approximately HK\$11.5 million to set up a studio in Hong Kong and expand our work premises, of which (i) approximately HK\$7.2 million will be used to set up a studio and add or upgrade our equipment; (ii) approximately HK\$1.5 million will be used to hire five studio production talents; and (iii) approximately HK\$2.8 million will be used to renovate the new office premises, by implementing the following:

(i) Set up a studio and upgrade infrastructure by the end of 2019

We plan to set up a studio by the end of 2019 and add or upgrade our equipment such as new computers, photographic and video production equipment (such as cameras, lights, tripods), digital production software and hardware, new accounting system and other computer software over the period running up to the end of 2019, for which we plan to reserve approximately HK\$7.2 million from the net proceeds.

(ii) Hire studio production talents

Meanwhile, we plan to hire five studio production talents including directors and relevant production staff to enhance our video and photography marketing production capability. We expect to utilise approximately HK\$1.5 million from the net proceeds to realise this plan. The detailed breakdown of the number of headcounts for this purpose and the timeline on recruitment are as follows:

	From the Latest Practicable Date to 31 December 2017	For the six months ending 31 December 2018	For the six months ending 31 December 2019	For the six months ending 31 December 2019	Total
<i>Studio production</i>					
Director	—	—	—	1	1
Senior researcher	—	—	—	1	1
Senior editor	—	—	—	1	1
Photographer	—	—	—	1	1
Studio manager	—	—	—	1	1
Total					<u>5</u>

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With our own studio and in-house video and photography marketing production team, our Group considers that in-house production with improved capacity enables us to have more flexibility to participate in more projects in marketing production services to generate more revenue and to be more cost-effective compared with outsourcing. Our own professional team, having the familiarity of working with key clients on an on-going basis is able to get a thorough understanding of the features and market positioning of the clients' products and achieve a better alignment with their brands' visions. This enables us to be more cost effective and efficient in the marketing production process, especially when our Group is also engaged in offering ideas and concepts for production in addition to mere execution. The quality of production is further ensured as we have full control over our own employees' organisation, production, operation and final deliverables. It can also better fulfill customers' requirements and expectations. In our experience, the total cost allocation of salary expenses for maintaining a professional motion graphic designer in-house is lower than relying on an outsourced freelance designer, without having considered the additional workload required to coordinate with someone working outside of our premises. Our Directors consider that it will also be a long term interest of our Group in terms of developing core competence for the future growth and expansion.

(iii) *Expansion and adding equipments to the new office premises*

During the Track Record Period, we leased a premises in Quarry Bay as an office cum production hub whereby we had an office space, a multi-function room for creative studio production and a security printing room for our confidential data printing and direct mailing services, was fully occupied. In view of the additional headcount in the next two years, in October 2017, we have relocated to a new office premises located in the commercial area at North Point with a space of approximately 4,800 square metres, which can house our employees, creative studio production and additional equipment while our existing office cum production hub at Quarry Bay remains as our production facilities, security printing room and warehouse. The relocation of new office required us to incur renovating expenses and fitting out costs. With the moving into of a new office, we expect to be incurred renovation expenses, further expansion and adding equipments of approximately HK\$2.8 million from the net proceeds.

Enhance our business development in the PRC and sales and marketing activities

According to the Ipsos Report, the marketing expenditure in Hong Kong is expected to increase from about HK\$32.3 billion in 2017 to about HK\$40.6 billion in 2020, at a CAGR of about 7.9%. The total marketing expenditure in the PRC is expected to increase from about HK\$1,089 billion in 2017 to about HK\$1,728 billion in 2020. Since our existing and potential clients include brand owners who have business interests in different parts of the world, including those who have their regional offices based in the PRC, our Directors expect the growth potentials to increase our revenue growth in the PRC market in the long run and intend to further expand our business network in the PRC by the end of 2018 by procuring new businesses from the PRC office of these clients. In this respect, our Directors aim to create brand awareness of our Group in the

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PRC market with a focus in promoting our capability in social media production service offering and the data analytic platform targeting both Chinese brands with headquarters in China and international brands that operate in the PRC.

Our Directors intend to utilise approximately 18.9% of the net proceeds, or approximately HK\$8.3 million for enhancing our business development in the PRC and sales and marketing activities, of which (i) approximately HK\$2.7 million will be used for recruiting three additional staff for the PRC business development; and (ii) approximately HK\$5.6 million will be used for sales and marketing in order to promote our Group's business to existing and potential clients. To cope with this strategy, we plan to hire three persons for business development and sales and marketing purposes, one of whom is to oversee the marketing strategies for our entire Group, while the other two persons will be responsible for expanding our business network in the PRC. The detailed breakdown of number of headcounts for this purpose and timeline on recruitment are as follows:

	From the Latest Practicable Date to 31 December 2017	For the six months ending 30 June 2018	For the six months ending 31 December 2018	For the six months ending 30 June 2019	For the six months ending 31 December 2019	Total
<i>Business development</i>						
Marketing strategist	1	—	—	—	—	1
Business development manager (China)	—	—	2	—	—	<u>2</u>
Total						<u>3</u>

(i) Business development in the PRC

In order to generate business interests from clients in the PRC for our digital media production services, in particular, the social media marketing and data analytical platforms which will be rendered through Icicle Production in Hong Kong and implemented in the second half of 2018 and by June 2019 respectively, we will first build our brand awareness and increase our publicity in the PRC markets. We intend to provide services in social media marketing to our clients in the PRC through Icicle Production in Hong Kong including (i) selecting influencers in the region for clients to promote their products or services through social media posts; and (ii) advising brand owners on their social media marketing plans in terms of creative direction, budget allocation and target audience as well as management and analysis of online data for our clients collected from social media platforms and other digital media channels such as websites and apps. We intend to use part of the net proceeds to progressively build our brand awareness, promote our service offerings especially in digital media production services and develop our business network in Beijing and Shanghai by the

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end of 2018. We target to promote our marketing service business through online marketing activities to brand retailers which conduct business in the first-tier cities in the PRC such as Beijing and Shanghai.

We also intend to, among others, (i) join the industry associations in the PRC; and (ii) participate in some industry conferences or events to promote our brand and capability in social media production service offering and the data analytic platform. In the first quarter of 2018, we plan to organise a launch party in Shanghai in respect of our service launch together with the US-based Business Partner.

Starting from the second half of 2017, our business development team in Hong Kong has been focusing on exploring business opportunities in managing online marketing activities and providing digital media production services in the PRC for brand owners. We will first inform all key existing clients who have business presence in the PRC about our plan to further extend our Group's capabilities in the PRC especially in relation to our social media production services and the data analytical platform. As at the Latest Practicable Date, we were in discussion with an existing customer for a major project in the PRC in this aspect and we expect that similar interests will arise from existing clients as our Group further intensifies our activities in the PRC and markets ourselves to the target clients.

We will increase our marketing activities in the PRC through frequent visits, remote discussions and networking activities with existing and potential clients. The team will further develop our Group's own brand in marketing production industry in the PRC through online marketing activities, such as maintaining an active social media account on Chinese platforms and attending and increasing exposure in business networking activities. Business development efforts and activities in the PRC to be conducted by the business development team will be intensified by conducting frequent and multiple business trips to meet with existing and potential clients by senior executives of our Group together with our business development and marketing staff. Business activities include pitching, discussion, taking project briefs, proposal submission and negotiation, etc. will follow after each face-to-face meeting.

In the second half of 2018, we plan to hire two business development managers for the China market, with each having a different client segment focus, one focusing on Chinese brands with headquarters in China and one focusing on international brands that operate in the PRC. We expect these two business development managers to have in-depth local knowledge and existing business networks in Shanghai and Beijing from relevant fields, such as retail or brand management, for business development and client relationship management as we believe they share similar cultural background with local clients and can better understand the specific needs of the local markets. Such business development managers are also expected to have the relevant working experience and knowledge in digital media production who understand the industry environment in the PRC and are familiar with marketing needs of international brands in the PRC market. They will be expected to source and procure new clients for our Group, to maintain and strengthen working relationships with existing clients or clients brought in and to be brought in through the US-based Business Partner, to tap into

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their own business networks to develop new client relationships for our Group and to generate new deal flows to be executed by our marketing production team in Hong Kong with the administrative support, such as preparing quotation or billings, of our staff in Icicle Beijing.

Feasibility of our implementation plan

Given that (i) our expansion plan in the PRC merely involves the expansion of business network in the PRC and to attract existing and new clients on a regional basis; and (ii) we are currently working towards generating business interests from potential and new clients in the PRC for digital media production services, in particular, the social media marketing and data analytical platforms, which we will conduct through Icicle Production in Hong Kong, and any new deals generated from such sales and marketing efforts will be executed by our marketing production team in Hong Kong with the administrative support, such as preparing quotation or billings as well as customer liaison works, of our staff in Icicle Beijing, our Directors are of the view that the implementation plan for our business development in the PRC is feasible.

We intend to expand our business network in the PRC without establishing an additional physical office in the PRC because (i) we already have one office in Beijing through which we have been able to provide our services effectively to clients in the PRC; (ii) we have direct and long-established relationships with these clients; (iii) we target online marketing activities hence we can service such clients through the support of our in-house talents and production team headquartered in Hong Kong; (iv) we can expand and explore further business opportunities with brand owner clients based in the PRC through our business development personnel who can travel from Hong Kong to the PRC while staying connected with our production team in Hong Kong through electronic communications, conference calls, video conferences, our company-wide cloud collaborative platforms and real-time messaging facilities without the need to set up a physical presence; and (v) such business development personnel usually develop business through their personal networking or direct business pitching and are expected to maintain and strengthen working relationships with existing or new clients brought in and to be brought in through the US-based Business Partner. Accordingly, our Directors believe that our business expansion in the PRC is feasible.

Our Group intends to solicit business for social media marketing services in the PRC, which primarily consist of (i) administrative support such as preparing quotation or billings as well as customer liaison works provided by Icicle Beijing; and (ii) selecting influencers in the PRC for clients to promote their products or services and advising clients on their marketing plans provided by Icicle Production in Hong Kong.

As advised by the PRC Legal Advisers, managing online marketing activities, broadcast or distribution of marketing materials and providing digital media production services in the PRC may require a number of licenses or permits depending on the exact activities or services that will be conducting or providing in the PRC. Please refer to the paragraph headed “Regulatory Overview — PRC laws and regulations relating to telecommunication services, Internet information services and Internet content” in this prospectus for more details.

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Pursuant to our Group's business plan in the development of the PRC market, our Group does not intend to engage in any of the above activities in the PRC. Therefore, as advised by our PRC Legal Advisers, our Group is not subject to any license and/or permit as mentioned above in the PRC under the current PRC law. In the event that our Group engages in any of the activities that require any license and/or permit, we will apply and obtain the required license or collaborate with a third party who has such license, in order to comply with the applicable PRC laws and regulations, when we expand our further service offerings in the PRC.

Our expansion plan in the PRC will not change Icicle Beijing's current scope of business because Icicle Beijing will only (i) provide administrative support such as preparing quotation or billings as well as customer liaison works; (ii) expand business network in the PRC to attract existing and new clients on a regional basis within the current scope of business; and (iii) procure and serve customers without producing or publishing any materials. Therefore, as advised by our PRC Legal Advisers, no additional licensing requirement is needed in the PRC.

The services that Icicle Production in Hong Kong intends to provide to clients in the PRC are (i) selecting influencers in the PRC for clients to promote their products or services; and (ii) advising clients on their marketing plans. As advised by our PRC Legal Advisers, neither of the above services require licences in the PRC, thus, our expansion plan is not subject to additional licensing requirements under the current PRC law for Icicle Production.

Prior to the Track Record Period, we had established offices in London, Macau and Singapore as we thought that such offices were in close proximity to our international clients located in those jurisdictions and thus we would be able to serve them more conveniently by setting up a local entity. However, based on our past experiences, given that our international clients in those jurisdictions already have direct long-established relationships with our in-house talents and production headquartered in Hong Kong, they would prefer to deal with us through the headquarters in Hong Kong rather than through the individual office at various jurisdictions. We were able to serve these international clients located in those various jurisdictions without any difficulty through electronic communications, conference calls and video conferences and our business development personnel can travel from Hong Kong to those various jurisdictions to meet with our clients as and when necessary. Accordingly, we considered our overseas offices were no longer necessary. We have considered similar reasons as outlined above when we closed down our London office in 2016, dissolved our Macau subsidiary in 2015, struck off our Singapore subsidiary in 2016 and disposed of interests in our Taiwan subsidiary, given that we have developed a solid business network with the brand owners at regional and international level, our Directors considered it to be not cost efficient to maintain a number of physical offices outside Hong Kong as our production and services were provided by our headquarters in Hong Kong. Our Directors confirmed that the closures of such overseas subsidiaries were strategic decisions and were not due to any failures in the business expansion outside Hong Kong, and our Directors believe that our existing Hong

Kong head office and Beijing office are sufficient to serve our regionally based clients in a more flexible and cost efficient manner.

The execution of marketing production services arising from such expansion will be supported by employees of our Group in Hong Kong via electronic communication and traveling between Hong Kong and the PRC. The local staff of Icicle Beijing will be primarily responsible for communication and coordination work with the clients in the PRC.

(ii) *Sales and marketing to promote our Group's business*

Our Directors believe that there are growth potentials in our business. As we grow our business, we believe that it is important for us to promote awareness of our brand and corporate image for continuous growth. We intend to leverage on our established track record and proven marketing production capability to attract more new clients. For this purpose, we intend to hire one marketing strategist by the end of 2017 to enhance our sales and marketing efforts to promote the brand awareness and service capability of our Group generally. Such marketing strategist will be in charge of our Group's overall sales and marketing strategies and efforts such as preparing our Group's brochure and marketing materials, organising advertisements through various marketing platforms, contributing ideas to improve our official website and generally engaging in such activities to promote our brand and corporate image. The marketing strategist has the overall responsibility of steering the marketing strategy for our Group, including developing client communication, organising our participation in major industry events and awards, working with our category leaders to produce industry insights and opinion reports, maintaining a consistent brand image for clients and the industry through regular posting of key visuals and messages on our public-facing social media accounts and developing and maintaining a strong employer brand as a talent-based service company.

Our other marketing plans to be carried out as from the second half of 2017 to the end of 2019 include, among others, (i) participating in industry related conferences, seminars and talks; (ii) improve and enhance our company brochure and marketing materials; (iii) upgrading our official website from time to time; (iv) creating more publicity or exposures and maintain an active presence on social media platforms; and (v) implementing marketing programmes to promote our services for development and maintenance of online marketing and purchasing platforms for inventory and distribution management, to promote our brand and corporate image.

As our expansion plans in the PRC merely involve the expansion of business network in the PRC and the sales and marketing efforts to enhance our brand awareness, publicity and service capability to the PRC market and to attract existing and new clients on a regional basis which are mostly in digital media production services to be provided to the PRC clients by our Group's Hong Kong entities. According to our PRC Legal Advisers, it will be within the scope of business as currently carried out by Icicle Beijing. Therefore, Icicle Beijing's business scope in the PRC will remain unchanged. Since we do not intend to operate our

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business outside the existing scope of business as currently carried out by Icicle Beijing, our PRC Legal Advisers have confirmed that Icicle Beijing is not required to obtain any additional licenses or permits in relation to our expansion plan in the PRC.

Staff development and implementation of a real time management system

Our Directors intend to utilise approximately 7.1% of the net proceeds, or approximately HK\$3.1 million for staff development, which will include staff training, team and cultural development to promote staff retention, and the development and implementation of a real time talent management system for better work efficiency. We will continue to review and improve our talent management policy for more efficient recruitment, better staff relation and retention. We have since January 2014 set key performance indicators for all our full-time staff members (excluding Ms. Bonnie Chan Woo) to motivate them to excel in their performance and reward them with an incentive scheme that aligns compensation and remuneration with the overall performance of our Group and the individuals. We also plan to develop and implement a real time talent management system to closely monitor the performance of our staff for better work efficiency by the first half of 2018.

While we already have performance management system in place to assess the performance of all our full-time staff members on a quarterly basis, this real time talent management system is an upgraded system to a mobile and real-time version to strengthen work effectiveness of our team of talents. Performance of individual staff member will be monitored closely on a real-time basis, which can provide instant feedback and advices to the management.

We intend to design and develop such real time talent management system through our in-house information technology staff, or outsource such work to a third party programming company. Our Directors believe the overall work performance and efficiency of our staff members would be enhanced, which is critical for the execution of our overall business expansion plan. Our Directors will also review our remuneration package on a regular basis to ensure its competitiveness in the market. We will continue to provide our staff with different working opportunities and encourage them to take part in internal and external training to keep abreast with the latest development of the market so as to support the business growth of our Group.

FUTURE PLANS

Please refer to the section headed “Future plans and use of proceeds” in this prospectus for a detailed description of our future plans.

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We provide marketing production services through our principal subsidiaries, Icicle Production and Icicle Beijing. We design, create and produce marketing and branding materials and contents in Hong Kong and the PRC to clients who are international and local brand owners, including global financial institutions, luxury brand retailers and local retail chain stores.

Our marketing production services include overall project management and marketing production services to meet clients' marketing and brand building requests which are divided into three categories:

- (i) **Physical media production and management** — we design and produce a variety of printed and packaging materials, gifts and premium, visual merchandising plans at retail outlets, retail displays and venue decoration for marketing and branding purposes. We also offer print and logistics management such as confidential data printing, direct mailing service, and development and maintenance of online marketing and purchasing platforms for physical media inventory and distribution management;
- (ii) **Digital media production** — we design, create, edit and produce different kinds of marketing and branding contents in the form of digital contents such as videos, animations and photographs where we are involved in concept development, storyboards creation, script writing, casting, shooting and postproduction work. We also design, create and produce marketing and branding contents for use in social media platforms and websites develop websites for the Internet and intranet, provide e-commerce solutions services by maintaining websites of our clients develop mobile apps; and
- (iii) **Cross media development** — we develop the overall marketing concepts and ideas for promoting a brand, a product or service for the clients and develop the art and design details of such concepts and ideas across various media formats for our clients to use.

Our project management team works as a coordinator and project manager for our clients throughout the flow of marketing production which commences with the design and creation of marketing and branding materials, production, storage planning to inventory and distribution management. We also provide flexibility to our clients who may only engage us for marketing production or inventory and distribution management or both.

Physical media production and management

Our physical media production and management services consist of two categories, namely (i) printing, packaging and sourcing; and (ii) visual merchandising plans at retail outlets, retail displays and venue decoration. For the two years ended 31 December 2016 and the five months ended 31 May 2017, our physical media production and management services accounted for approximately 91.7%, 90.8% and 91.6% of our revenue from continuing operation, respectively. As at the Latest Practicable Date, we had a team of 21 members for our physical media production and management.

- (i) *Printing, packaging and sourcing*

Leveraging on our long history of experience in the print management industry in the past, we believe that we have established a foothold in marketing production for printed materials in Hong Kong as proven by our extensive clientele.

The following picture shows an example of one of our marketing production works for printing, packaging and sourcing:



Printed materials

We assist our clients in the production of different kinds of printed materials for marketing and brand building purposes. These include designing and creating corporate brochures, leaflets and booklets, product catalogues, invitation cards, red packets, paper bags, posters, billboards and all other marketing and branding items which may be distributed to end customers in printed formats. Subject to the requirements of individual clients, our services generally cover design and artwork, sourcing of paper stock, liaising with printing companies for sample production and bulk printing, and overall management and monitoring of the project schedule and quality control. Due to the substantial capital requirements in relation to setting up of printing facilities for printing different types of printed materials, we outsourced our printing functions and have maintained a list of third-party printing companies as our service providers for production function, and there were about 19 printing companies actively working with us as at the Latest Practicable Date. Our Directors believe that such arrangement is beneficial to our operation efficiency and capital saving purposes.

Packaging for products

We also help our clients in designing and creating packaging for their products, which, as part of our services, we are required to source various packaging materials (including but not limited to wood, leather and other metallic materials as well as paper and cardboard) to fit the design for the packaging from different sources so as to create product premium and to enhance the brand image. Packaging design is a combination of a variety of parts, such as the box containing the products, the wrapping paper, the customised stickers and tags attaching to the products. We will study the features of a given product to create an overall design concept. Upon confirmation of the design concept by our clients, our marketing production team supported by specialists in design engineering will work out the design details and source the appropriate materials to ensure the design concept can be worked out for mass production.

Confidential data printing and direct mailing services

We also provide confidential data printing and direct mailing services to our clients who engage us for designing and creating printed materials. We have been serving our largest client since 2006, which is a multinational financial service company engaging in insurance and other financial services, and another global financial investment management company since 2016, in the design and printing of different kinds of printed materials, which require us to print confidential customised data and post such printed materials directly to their end customers. We are committed to safeguard data privacy, and therefore our Group does not outsource the printing of any materials involving any confidential customised data. As at the Latest Practicable Date, we had our own security printing room equipped with four printers that support the confidential data printing function. Our security printing room is with limited access by designated staff for the relevant data printing and mailing work. For details of the relevant internal control procedures, please refer to the paragraph headed “Internal control management — Others” in this section below.

Online marketing and purchasing platforms for physical media inventory and distribution management

Leveraging on our solid experience in marketing production for printed materials and packaging for our clients’ products, we add value to our services by designing, developing and maintaining customised intranet marketing and purchasing platforms for some of our clients with tailored functions for online ordering and purchasing. Our clients’ staff or other intranet end-users can view and directly purchase the latest version of our clients’ marketing and branding materials online by logging in to the intranet platforms. We also take charge on behalf of our clients of the production, inventory management and distribution management of the up-to-date marketing and branding materials available for purchase on these platforms.

For such service, we generally enter into retainer contracts with our clients with a minimum period of 12 months. Depending on our clients’ requirements, we design online marketing and purchasing platforms, including the platform outlook and customised functions and features for processing the online transactions of our clients. We also set up back-end systems of these platforms to support the processing of orders and payments and to keep transaction records, create user login and password for each user account, design the security system for the platforms and host and maintain the systems. Once the platforms are built and launched, our designated project management team will be in charge of the overall management of the platforms on an ongoing basis. We are responsible for the design and production of a variety of marketing materials such as corporate brochures, leaflets and catalogues (including updating and producing the latest versions of such marketing materials), as well as the marketing production and sourcing of souvenirs, corporate and festive gifts to be sold on these online marketing and purchasing platforms in order to facilitate an efficient and faster service to our clients.

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Our project management team will monitor the platforms on an ongoing basis to ensure that all items sold on the platforms, including the prices and product description, are up-to-date. We are also responsible to take photos of the items and upload to the platforms to enhance the purchase experience of the end-users. We monitor closely the operation of these platforms to ensure that the online transactions are processed properly and provide technical support on an urgent basis when necessary.

When our clients' staff and/or other end-users make an online purchase order, our system will process the order by sending an order confirmation, issuing bill and collecting the payment on behalf of our clients. Once the order is confirmed and payment is settled, we will arrange for the delivery of the purchased items to the staff or the end-users of our clients. Our staff working at our warehouse will pack the items in accordance with the order details and arrange for delivery. Upon delivery, we will update our database and send a report to our clients. We are also responsible to deal with any after-delivery enquiries, such as return of defective items and exchange of items if they are delivered incorrectly.

Our service also includes the warehousing and inventory management of marketing and branding materials for our clients. The marketing and branding materials we produced for our clients for selling on these platforms are stored in our warehouse in Quarry Bay. Leveraging on the platform system which supports real time records on transactions and deliveries, we monitor the inventory level and source and produce additional inventory on behalf of our clients to replenish our clients' inventory when required.

If required by our clients, we also manage their hotline services and attend to any telephone enquiries and/or urgent orders that their staff and/or end-users may have regarding the online marketing and purchasing platforms that we manage and maintain. Our project management team is also responsible to provide daily customer services to our clients' staff and/or end-users by attending to their email enquiries during business hours. We will also provide training to our clients' staff on how to use the platforms, and produce user manual and recorded video of online training if requested. Our project management team will keep close contact and have regular meetings with our clients to understand any feedback from the end-users so as to upgrade and enhance the platforms from time to time upon requests to cater to our clients' needs.

In order to cater for the needs of our clients who require inventory management services, we have leased an office for use as data printing production and storage space to centralise the inventories management and deliveries. There was one staff responsible for managing and monitoring of the inventory and delivery on-site as at the Latest Practicable Date. Our team works closely to monitor the stock level of different branding materials of our clients from time to time so that additional stock will be produced and replenished instantly when required. We also arrange for the deliveries pursuant to the relevant contract terms. Our delivery services include packing the branding materials into

batches or boxes as instructed by the clients, arranging for the deliveries according to the required location and time, confirming receipts by the respective recipients, reporting delivery status and dealing with any post-delivery enquiries, such as material defect or discrepancy of the quantities ordered.

(ii) *Visual merchandising, retail displays and venue decoration*

We create and design marketing and branding materials and contents for visual merchandising, retail displays and venue decoration for marketing and branding events. We consider that visual merchandising plays an important role in the retail industry. We assist our clients in designing and creating in-store environment relevant for the brands or products to attract attentions of shoppers. Depending on our client's requirements, we design and produce window displays, signs, interior displays and special promotional displays. We also create store displays to promote our client's new products or services and to reflect festive or seasonal themes.

We assist our clients in product display and decoration in their retail stores to highlight the features and benefits of their products so as to attract and motivate consumers towards making a purchase. We also assist brand owners to create an in-store environment which aligns with their brand image. This includes signage, point-of-sale displays and other images displayed in-store, as well as the furniture and other fixtures in the stores.

We also assist our clients in venue decoration for their branding campaigns or promotional events. For example, we have helped one of our major clients to create design and decoration for their office premises in Hong Kong during the week of its annual regional conference when its colleagues from other office locations came and visited its Hong Kong office.

The following picture shows an example of one of our marketing production works for visual merchandising, retail displays and venue decoration:



Digital media production

Our digital media production services consist of three categories, namely (i) video, animation and photography; (ii) web and mobile; and (iii) social media. For the two years ended 31 December 2016 and the five months ended 31 May 2017, our digital media production services accounted for approximately 2.5%, 3.4% and 4.7% of our revenue from continuing operation, respectively. As at the Latest Practicable Date, we had a team of eight members for our digital media production.

(i) *Video, animation and photography*

We assist our clients in designing, creating, editing and producing different video and animation contents for promotion of their products and services and for brand building purposes. These include brand stories, corporate videos and interviews, and videos introducing clients' products and services, promotional or marketing campaigns or other corporate events. The video and animation may be used by our clients for sales presentation in their retail outlets, internal trainings or to be broadcasted during corporate events. These video and animation contents may also be uploaded by our clients to other digital media platforms, such as their websites or social media networks maintained by them, to reach the target audiences, or displayed at the retail stores of the brand owners to offer their customers better shopping experience.

We set up a multi-function room for creative studio production at our Hong Kong office. Our video and animation services include concept development, creation of storyboards, script writing, casting, shooting and post-production works. We have a team comprising a producer, a motion graphic designer and a director. During the Track Record Period, we engaged freelance talents for some of our shooting and post-production works but we closely monitored them to ensure the quality of the work.

Our photography services include product shooting and key visual photography. We will discuss with our clients to understand the key features of their products and services and the characteristics of their brands for the photography concept. Our services include shooting, post-production, such as photo-retouch and casting if the photography involves characters.

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The following pictures show some examples of our marketing production works in video, animation and photography:



(ii) *Web and mobile*

Our web and mobile marketing production services include different creative contents production for display through websites and other digital media for brand owners to communicate their brands to the target audiences. We help our clients in developing websites for the Internet as well as intranet covering web engineering, web design and web content development. We also provide e-commerce solutions to our clients to optimise our services. We assist our clients to manage the contents of their websites by closely monitoring and updating the designs and contents to align with their marketing and branding campaigns from time to time. In addition, we also advise our clients on the development of various functions on their websites to provide a user-friendly experience to the target audiences.

Other services include design and production of email direct marketing (eDM) and e-newsletters.

The following pictures are examples of our marketing production works for web and mobile branding contents:



(iii) *Social media*

We have extended our line of business by setting up our social media marketing production team in the fourth quarter of 2016 with the intention to provide more diversified services to our clients. Depending on the needs of our clients, our social media marketing production services include setting up and creating contents for corporate profile pages or customising corporate profile pages pertaining to the characteristics or other marketing objectives for the brand owners for display on social media networks. We also assist in the maintenance of corporate profile pages or the updating of news feeds on the corporate profile pages on social media networks.

In view of the rise of popularity of social media network and its potential in brand building and marketing promotion, we intend to expand our business to include data management services to assist our clients in the collection, monitor and analysis of the useful data generated from social media platforms. It will focus on conducting analysis of the reactions or perceptions of the public or target audiences in relation to the brands, products or services of the brand owners, or the overall effectiveness of a particular marketing or branding campaign. Please refer to the section headed “Future plans and use of proceeds” in this prospectus for a detailed description of our future plans.

Cross media development

We offer cross media development services to our clients by developing the overall marketing concept/idea and working out the art and design details for our clients who use the marketing materials and contents produced by us across various media. We had a cross media development team consisting of eight members as at the Latest Practicable Date which specialises in marketing concept/idea development and working out the art and design details in multiple media formats for production purpose. Our solutions is tailor-made, depending on the brand features and products/services, the target audience, media involved and any other special requirements for a particular project. For our clients who have their own internal marketing production teams, we assist them in fine-tuning the design details before production. For the two years ended 31 December 2016 and the five months ended 31 May 2017, our cross media marketing production services accounted for approximately 5.8%, 5.8% and 3.7% of our revenue from continuing operation, respectively.

Value we add to the brands

Our Directors consider our marketing production services delivered through diversified media platforms are inter-related and complementary to each other. Our Directors believe that given the multimedia approach to marketing and branding by brand owners, a good allocation and combination of use of different media platforms can help brand owners to communicate their brands to their target customers effectively, consistently and cost-efficiently.

We believe that we can add value to the brands in today's complicated and fast-evolving market with fragmented media channels to:

- enhance the image and influence of the brands through creating consistent marketing and branding materials;
- improve effectiveness of our clients' branding and marketing functions by producing and delivering a wide spectrum of marketing and branding materials and contents in a cost efficient way;
- strengthen the identity and impact of the brands through design concept and key visual development and subsequent production; and
- connect the brands to markets by creating engaging contents for branding and marketing purposes.

Supported by our full range of marketing production services, brand owners can further enjoy cost and time efficiency by outsourcing their marketing production function to our Group.

Our Directors consider that the marketing production services are made up of a number of collaborators including suppliers, brand managers, marketing production services, agencies, direct sales teams, buyers, printers, fulfillment houses and many others which form complex, fragmented and interdependent relationships. Our Group's business scope is unique as it acts as the project manager to manage the marketing production of different collaborators in the marketing materials and marketing services. Under our current business model, we focus on marketing production services, which cover overall project management and production of marketing and branding materials and contents. According to the Ipsos Report, more marketing service providers are involving diversified services with integration of different service categories. Such players are expected to better meet consumers' demand for professional one-stop services. Leveraging on our solid experience working directly with a variety of brand owners and our ability in marketing production over the years, we have developed our own in-house production expertise in the design and production of a wide range of marketing and branding materials and contents across different media formats covering both physical and digital media to cater to the needs of the brand owners.

This distinguishes us from traditional advertising or public relation companies which focus on promotion of products or services to the public or customers by advertisement placement, above-the-line creative development or press relationship, and they generally lack such in-house marketing

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production capabilities and hence outsource the production work. Our Directors understand that although some of the advertising or public relation companies also coordinate the printing procurement process, they would most typically coordinate the printing procurement process by applying standard procurement procedures, such as sending a request for quotation to different printers to obtain quotations and then award the project to the lowest bidder without considering the suitability of the printer in terms of technical know-how, equipment and capacity, etc. Our Group has developed in-house production expertise to improve this process and drive cost savings. We independently calculate the cost of production based on raw material cost and machine running cost for production. This is similar to the operation model of other supply chain management businesses which involves the overseeing of materials, information and cost flow of the supply chain and production flow. As such, we are able to calculate a cost effective value for each project based on optimal use of materials and a suitable choice of machinery. Due to a thorough understanding of the production cost structure, our Group is able to identify cost-saving areas. For example, we may choose to purchase materials directly instead of relying on the suppliers to do so, and often break down the production processes and assign to different suppliers to complete one project, such as pre-production, printing, binding and other post-printing processes. Armed with production knowledge, our Group purchases the specific production capacity from each supplier for particular processes that they have machinery or expertise to perform, therefore avoiding any extra premium paying for them to outsource processes that they themselves cannot perform in-house. Our Directors consider that this is the uniqueness of our business scope and production know-how that differentiates us from the public relation and advertising companies.

REPRESENTATIVE EXAMPLES OF OUR MARKETING PRODUCTION SERVICES FOR KEY CLIENTS

Over the years, we have been providing marketing production services to our clients who are popular and renowned brands in different business sectors, both locally and internationally. The following examples demonstrate, among other things, our capabilities in providing various types of marketing production services for our key clients during the Track Record Period:

Client A

Client A is an investment company incorporated in Hong Kong, which is part of a French multinational financial service company headquartered in Paris and listed on Euronext. The group of companies comprising Client A is a large insurance and asset management group, which operate primarily in Western Europe, North America, Asia-Pacific Region and, to a lesser extent, in other regions including the Middle East, Latin America and Africa. It is engaged in global insurance, investment management, retirement planning and other financial services with over 107 million customers serviced by 165,000 employees as of 30 June 2017 in 64 countries. The group of companies comprising Client A recorded registered revenues amounted to approximately Euro 100.2 billion (approximately HK\$820.64 billion) as at 31 December 2016 and had approximately Euro 1,429 billion (approximately HK\$11,703.51

billion) in assets under management as at 31 December 2016. It first became our client in August 2006. It was our Group's largest client for the two years ended 31 December 2016 and the five months ended 31 May 2017.

Services provided by us

We provide the following marketing production services to Client A, among others:

- designing and producing a variety of printed marketing materials such as corporate brochures, leaflets and catalogues
- providing confidential customised data printing services and direct mailing services of printed materials such as confidential correspondence or other letters which require, among others, name, address and account number to be printed on the printed materials and mailed to its end customers in Hong Kong
- developing and managing an online marketing and purchasing platform where Client A's designated users can directly order product leaflets, marketing materials, souvenirs and other corporate and festive gifts. Our services include handling and processing orders received online, logistic arrangement and settlement of the payment, inventory management and post-delivery and hotline enquiries
- marketing production and sourcing of souvenirs, corporate and festive gifts and other printed materials to be sold online

Client B

Client B is a company incorporated in Hong Kong and based in Hong Kong and China, which is a luxury fashion, beauty and lifestyle department store that offers a diversified designer portfolio in fashion and luxury goods in Greater China. It features a collection of international labels across womenswear, menswear, shoes and accessories, jewellery, beauty and home and lifestyle merchandise. The company operates eight stores in Hong Kong and major cities in the PRC. It first became our client in February 2007. It was our third largest client for each of the two years ended 31 December 2016.

Services provided by us

Throughout the years, we have been engaged by Client B primarily for printing, packaging and sourcing of physical media materials for its branding and marketing purposes in Hong Kong as well as the PRC, including:

- designing and producing customer loyalty cards, event invitation cards and other printed materials to be distributed to its customers
- designing and producing red packets, Christmas cards, other festive greeting printed materials and gift packs for its customers
- designing and producing packaging for different products sold under its own brands including sourcing of various packaging materials, product display and decoration and quality control generally

Lady M Hong Kong Limited (“Lady M”)

Lady M is a company incorporated in Hong Kong and is engaged in handmade cakes and confectionary delights under a famous New York brand with boutique cafes in New York, Los Angeles and Singapore. It currently operates three boutique cafes in Hong Kong. It first became our client in May 2015. It was our fourth largest client for the year ended 31 December 2016.

Services provided by us

Our marketing production services provided to Lady M during the Track Record Period cover product packaging and website contents management as follows:

- designing, production and inventory management of cake boxes for takeaway purchases. We monitor the inventory level of the cake boxes and replenishing such inventory from time to time when the quantity is below a certain level
- designing the packaging for the Valentine’s Day special cake for the festive promotion
- development and maintenance of its official website in Hong Kong, including designing and enhancing the functions and features of the website from time to time
- ongoing monitoring and updates of its Hong Kong official website and online cake order system. We design and upload the latest news and marketing promotion information onto the website from time to time upon request, and enhance the functions of the online cake ordering system to facilitate online purchases

Client C

Client C is a French company that produces alcoholic beverages and owns a portfolio of beverage brands worldwide. We have commenced business relationship with Client C since August 2016 and participated in part of its regional branding campaign in Asia.

Services provided by us

Client C launched its newly-design champagne bottle to the market and we were engaged to optimise its marketing and branding strategies in Hong Kong by producing:

- marketing contents of a brand story which were delivered through various digital media including video, photograph, campaign website and social media platforms
- main campaign video featuring a Hong Kong celebrity and a Brazilian racing car driver collaborating to deliver the new champagne bottle to a public event
- behind-the-scenes pictures photo shooting and video production uploaded to various social media to create brand awareness, activated a marketing campaign that allowed the brand to collect customers' data and to enhance the brand's image and positioning with its target customers segment
- event videos and pictures involving a sporting event in Hong Kong of which Client C has a partner for publication on various digital media platforms

Client D

Client D is a member of a group of companies headquartered in New York, U.S.A., the holding company of which is listed on the New York Stock Exchange. The group was founded in 1946 and is one of the world's leading manufacturers and marketers of quality branded skincare, makeup, fragrance and hair care products, which owns a diverse portfolio of labels distributed internationally. Its products are sold in more than 150 countries and territories. For the fiscal year 2016, the group of companies comprising Client D had net sales of approximately US\$11.3 billion and operating income of approximately US\$1.6 billion. The group operates over 1,230 freestanding stores and over 1,100 e-commerce or m-commerce sites in over 30 countries with over 46,000 employees worldwide. It first became our client in October 2006 and it was our fifth largest client for the year ended 31 December 2015.

Services provided by us

Throughout the years, we have been engaged by Client D for marketing production services including:

- designing and producing email marketing contents including festive promotion contents, e-Christmas cards and other contents for its products and marketing campaigns
- producing website visual contents for its new products launch and other marketing campaigns or promotions including photography of the products and designing the presentation of such product photos on the website
- artwork adaptation and producing various printed materials including red packets and product packaging for its end customers

Client E

Client E is a company incorporated in Hong Kong, which is a subsidiary of a company incorporated in Bermuda and listed on the London Stock Exchange, Bermuda and Singapore. The group engages in diversified businesses focused in China and Southeast Asia. The group of companies comprising Client E operates supermarkets, hypermarkets, convenience stores, health and beauty stores and home furnishing stores under well-known brands, and it has a 50% interest in a Hong Kong's leading restaurant chain. As at 30 June 2017, the group and its associates and joint ventures operated over 6,600 outlets and employed over 180,000 people. It had total annual sales in 2016 exceeding US\$20 billion. The group of companies comprising Client E is a member of another diversified Asian-based group, which employs 430,000 people and is engaged in the fields of motor vehicles and related operations, property investment and development, food retailing, home furnishings, engineering and construction, transport services, insurance broking, restaurants, luxury hotels, financial services, heavy equipment, mining and agribusiness. It first became our client in May 2004, and it was our second largest client for each of the two years ended 31 December 2016 and the five months ended 31 May 2017.

Services provided by us

Throughout the years, we have been engaged by Client E primarily for physical media production and management works for its branding and in-store marketing campaigns for its retail stores in Hong Kong and Macau, including the production and management of:

- point-of-purchase displays such as shelf talkers and banners
- printed decorative materials for store-wide promotions during festive seasons
- display stands

We have also developed a content management system exclusively for it in December 2013 which enables Client E to design and edit standard printed marketing materials, such as shelf tags and shelf talkers, where it can input product information including product name, price, discount and spending incentives to be included in such printed materials. Through such content management system, Client E can design, edit and preview its standard marketing materials before placing orders with us all in one go.

During the Track Record Period, we were also engaged by Client E to create a video to promote its customers reward programme, where we were responsible for creating the storyline, setting up of the shooting scene, selecting kid talents and costumes and shooting and editing of the video.

Client F

Client F is a company incorporated in Hong Kong. It operates fast food chain of gyudon (beef bowls) restaurants in Hong Kong under the famous Japanese brand which offers gyudon that is “tasty, low-priced and quick”. It first became our client in January 2006, and it was our fourth largest client for the year ended 31 December 2015 and the five months ended 31 May 2017 and our fifth largest client for the year ended 31 December 2016.

Services provided by us

Throughout the years, we have been engaged by Client F for physical media production and management works for its branding and in-store marketing campaigns for all its restaurants in Hong Kong, including the production and management of marketing materials, such as table stand calendars, traymats, table stickers, price stripes, shop notices and banners.

Client G

Client G is a company incorporated in Hong Kong which provides retirement and asset management to businesses, individuals and institutional clients. It is part of a global investment management group listed on the New York Stock Exchange, which offers businesses, individuals and institutional clients a wide range of financial products and services, including retirement, asset management and insurance through its diverse family of financial services companies, with offices in Asia, Australia, Europe, Latin America and North America. The group of companies comprising Client G employs over 14,800 employees worldwide as of 30 September 2015, and had over 19.2 million clients as of 31 March 2016 and over 11.5 million pension plan members in more than 70 countries as of 30 June 2016. As of 30 June 2017, it has assets under management of approximately US\$629.4 billion. It was our third largest client for the five months ended 31 May 2017.

Service provided by us

Throughout the years, our Group has been providing marketing production services to Client G, including:

- designing and producing a variety of printing materials such as product leaflets, brochures and application forms for its sale and marketing purposes
- designing and managing the artwork of marketing collaterals, application forms, sale presentation materials and stationeries for its rebranding campaign
- developing and managing an online marketing and purchasing platform where users can order different kinds of marketing materials. Our services cover the setting up and maintenance of the customised online purchase system, warehousing, inventory management and logistic arrangement

Client H

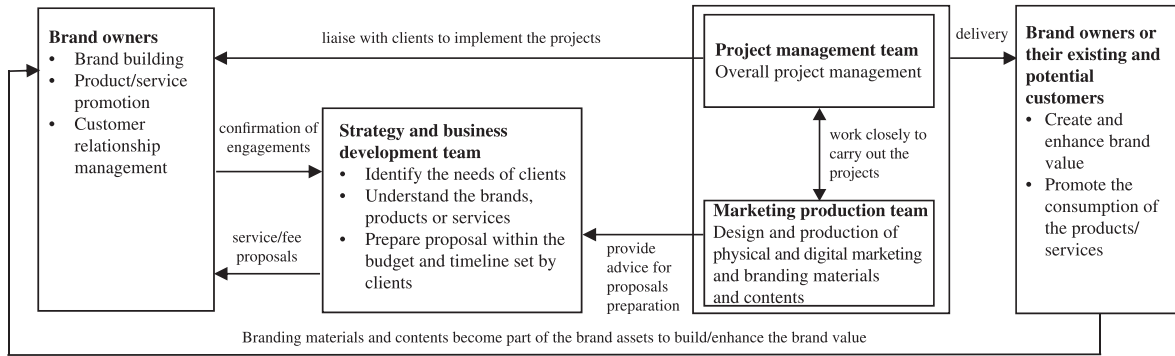
Client H is a company incorporated in Bermuda and is the life insurance business arm of an Asia-based private investment group. It is an authorised insurer by the Insurance Authority to carry on business in or from Hong Kong. It offers life insurance products and services with business covering Hong Kong, Macau, Thailand, Indonesia, the Philippines, Singapore and Vietnam. In Hong Kong and Macau, Client H has been providing quality services to around 534,000 customers with over 730 staff as at June 2017. Its total assets are worth approximately US\$9.0 billion as at 30 June 2016. Client H is the insurance business arm of an Asia-based private investment group which has interests in three core business pillars: financial services, technology, media and telecommunication and real estate. It was our fifth largest client for the five months ended 31 May 2017.

Service provided by us

Throughout the years, we have been engaged by Client H primarily for physical media production and management works for its branding and marketing purposes. We assist it in the design and printing of different kinds of application forms, leaflets and brochures of its life insurance products. Our services also include the warehousing, inventory management and delivery of printing materials from time to time.

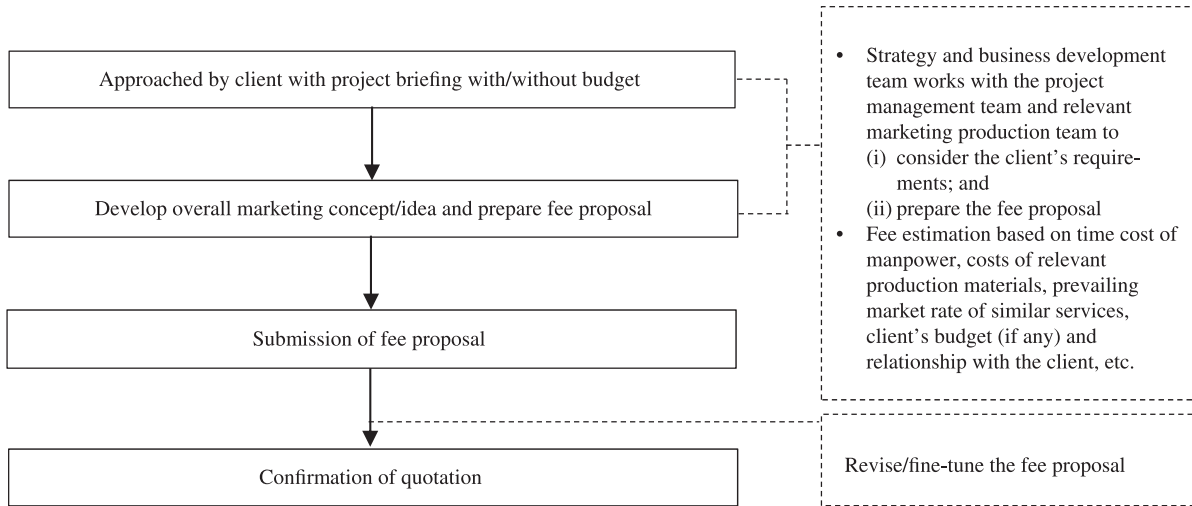
PROCEDURES OF OUR BUSINESS OPERATIONS

The following chart sets out the workflow of our engagement, illustrating the key stages of our business operations, including formulation of proposals, confirmation of quotations or contracts, the creative development, production and deliveries, clients’ feedback and project review.



Quotation and pitching process

The following diagram illustrates the general steps in relation to our quotation and pitching process:



In general, we work directly with brand owners. For some recurring projects of existing clients, they may approach the relevant staff of the project management team for fee quotations directly. For new clients who are normally referred to us by existing clients or existing clients requesting new services or with special projects, our strategy and business development team is the initial point of contact for the preparation of fee proposals. In general, we do not get new business through tendering process.

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Upon receiving a request for fee proposal by our clients, our strategy and business development team will coordinate with the project management team and marketing production team to prepare the fee proposals including the overall marketing concept development if required, after considering the requirements of the brand owners, their brand features and products/services, complexity of the project, estimated time and manpower to be allocated, prevailing market rate of similar services, budget and timeline, costs of relevant production materials and the relationship with such clients.

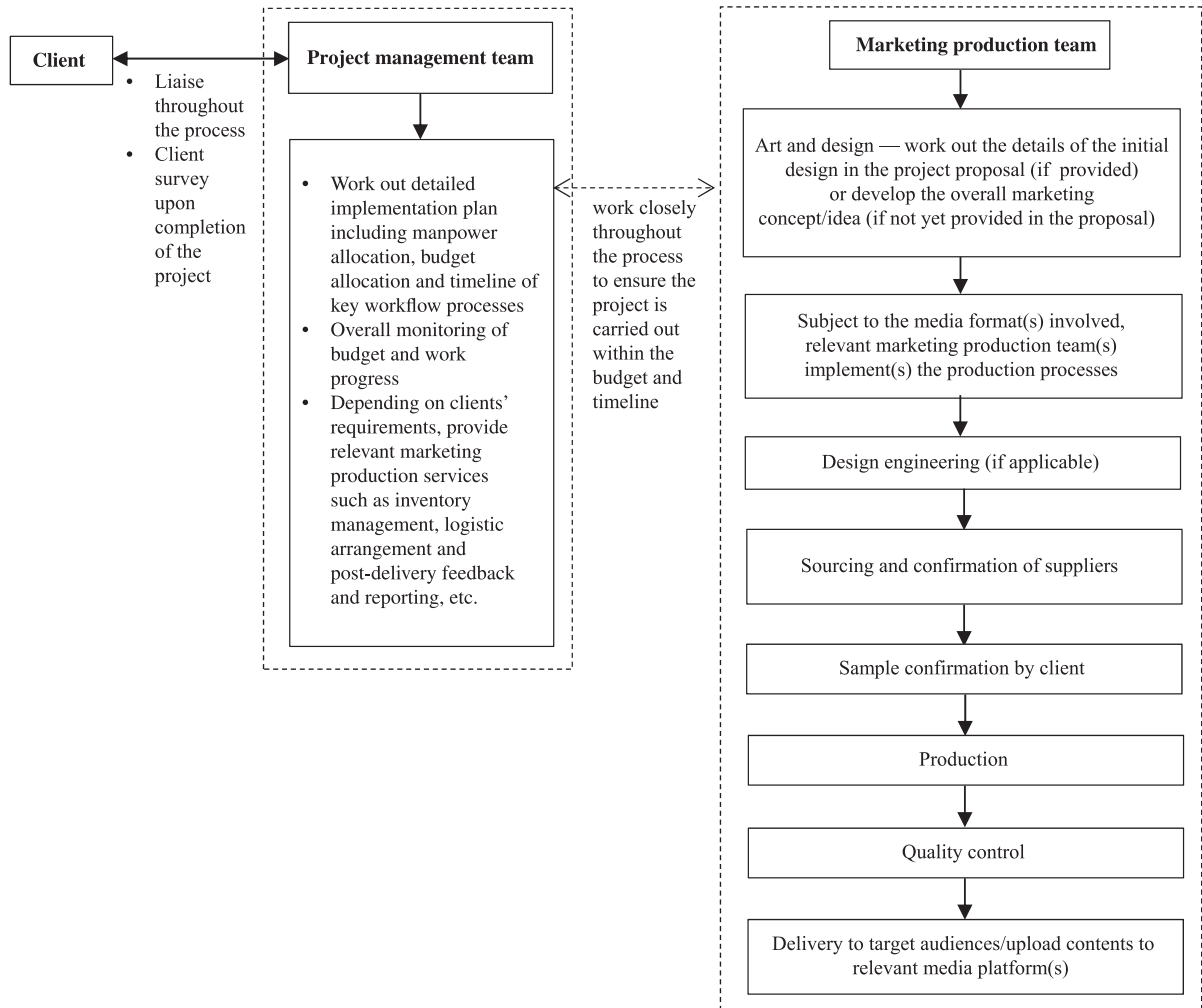
We monitor our projects at the time when we prepare our fee quotations through our project management information system “Icicle Hub”. With the latest information of the projects in progress at a relevant time, different team heads can see our overall capacity for work allocation plan for new projects. They can also use the existing data to estimate the expected time to spend on other potential projects to determine the proposed fees for such projects. For details of how our Group manages our projects through “Icicle Hub”, please refer to the paragraph headed “Project management by “Icicle Hub”” below.

Many brand owners approach us for the design and production of marketing and branding materials and contents for dissemination through a specific media channel. However, in some cases (in particular for those existing brand clients for whom we have been serving many years) our strategy and business development team would, based on our clients’ overall marketing and branding strategies and budgets, propose a cross media production approach to optimise the use of their resources for greater branding effectiveness through diversified media channels to the target audiences.

Upon confirmation of our proposals, our clients will sign the contracts/quotations prepared by us which generally set out the scope of services we offer, time of delivery, service fees and other service terms and conditions.

Project execution and delivery

Depending on the types of media involved, the relevant members of the project management team and marketing production team will work together to execute a project. The timeline of our projects varies depending on the scale and complexity of a project and the timeline set by our clients to align with their overall marketing or branding strategies. During the Track Record Period, most of our projects were completed within one month. The following diagram illustrates the general steps undertaken by us for the implementation of a project upon confirmation of an engagement:



Project management

We split our project management specialists into three teams based on the business sectors our clients belong to. One team mainly serves our clients who are insurance companies, luxury brands and other international brands of different business sectors. These clients generally focus more on the overall brand management and value enhancement of their brands with global presence in different market locations. The second team principally serves our retail clients, property developer

clients and other Hong Kong projects. A majority of the projects handled by this team involve physical media production and management. The third team focuses on serving the retailers and food and beverage brands and projects involving the PRC. The projects handled by them usually involve fast turnaround production and sourcing.

Upon confirmation of a project, we will assign a project manager as a contact point to liaise with our clients throughout the execution process. The project manager will take instructions from such clients from time to time and communicate with the marketing production team to ensure the work progress align with the time schedule. Subject to the requirements of our clients, the project manager also takes charge of coordinating the relevant marketing production services for different steps of the marketing production work flow.

Project management by “Icicle Hub”

Our Directors believe a good project management information system can improve our competitive service level and put us ahead in terms of work efficiency in our project execution. We have implemented a project management information system in January 2006, which is an online information management system and communication platform for our employees as well as for our clients to monitor the progress of each project. The system was later upgraded and relaunched as “Icicle Hub” in February 2015. It is a centralised project management information system accessible by both our clients externally and by our staff internally. It contains up-to-date information of critical workflow processes of the current projects such as project confirmation, sample confirmation and delivery status, as well as archived database of completed projects of our clients.

On the client side, each client is assigned with an account and a password to log in to the system once our engagement is confirmed. Our clients can access their own list of projects currently in progress and the details and status of each project. As such, they can check the progress of the projects proactively from time to time without contacting our staff. They can also upload files or documents requested by us to the system so that our staff can directly download them for use in the relevant project. The system contains archived database of previous projects completed, including the date of engagement, project completion date and relevant design images and files for clients’ reference. Our clients can download quotations and invoices from the system or sign and confirm a quotation directly through the system. For some projects in which we are responsible for managing the inventory of branding materials, our clients can check the stock level from time to time and place additional orders accordingly.

On our Group side, “Icicle Hub” is accessible by our management and all employees for efficient project management. Members of the strategy and business development team will upload quotations they have prepared for our clients. Once an engagement is confirmed, they will input the relevant client details including our client’s name, business our client engages in, key contact person and contact details of our client, service fees and the scope of services. Names of relevant staff of different teams responsible for the project will also be entered into the system. Our project management team and marketing production team will, from time to time, update the status of the project. Accordingly, all staff involved in the relevant projects will know the up-to-date status of

the projects and if any work is behind schedule, rectification can be done immediately. Upon completion of a project, an invoice will be uploaded to the system for our client's settlement. There is a full list showing all settled and outstanding invoices which facilitates our project managers and finance department to follow up and to expedite settlements of long outstanding invoices. Client satisfaction survey will be automatically sent to our clients randomly through the system after completion of the project.

Archived information of our existing clients help our strategy and business development team to evaluate and anticipate the needs of our clients. For example, if an existing client has engaged us for marketing production of festive products in the past few years, our strategy and business development team will contact such client at relevant times to see if it would like to produce festive products for the current year.

This centralised project management information system also provides our management an overview of all projects currently in progress, which enables them to have better management and allocation of manpower and other resources as well as business planning of new projects. Our management can also have a full picture of any overdue invoices for better monitoring and management of our cashflow.

Marketing production

As at the Latest Practicable Date, we had six marketing production teams, namely, (i) printing, packaging and sourcing; (ii) visual merchandising, retail displays and venue decoration; (iii) video and photography; (iv) web and mobile; (v) social media; and (vi) cross media development.

Art and design

The cross media development team is responsible for the overall art and design of the projects regardless of the media formats involved. In some projects, our clients' internal marketing production teams may have already developed the design concept and our cross media development team will work out the details or make fine tuning. For those projects without particular design theme or concept, our cross media development team will work from the concept development to the design details. In these cases, the team usually starts its work in the proposal preparation stage.

Production

Depending on the media format involved, a designated marketing production team (or more than one marketing production teams may work together when more than one media format is involved) will be responsible for the production of the branding materials and contents. It involves a variety of work depending on the scope of services and the requirements of our clients. For example, the packaging of a product will involve our design engineers to work out the specifications of the design to ensure a package box works practically. It also involves the sourcing of packaging materials for different parts of the packaging. We will produce a sample for our client's approval before mass production. For digital media projects such as an online

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promotion campaign of a new product, it may involve the production of video or photo taking of the products, the development of contents and user-friendly functions for websites and other digital media and the updating and monitoring of the online contents. The production process will also involve liaising with and confirmation of suppliers.

Quality control and delivery

Our marketing production team will be responsible for quality control of the branding materials and contents before delivery to our clients. The delivery and release of all branding materials and contents to the target customers or the public are subject to our clients' approval. The intellectual property rights in the branding materials designed by us will become the property of our clients.

Post-delivery survey

We will send to our clients a questionnaire to survey their satisfaction randomly through our "Icicle Hub" project management information system and collect feedback on our services. Relevant members of our strategy and business development team, marketing production team and project management team will evaluate the effectiveness of the work done so as to improve our performance in the future.

Icicle Beijing

Since our commencement of business in late 1990s, we have been headquartered in Hong Kong, and we established our PRC subsidiary since July 2008. As at the Latest Practicable Date, we had an office in Beijing with a project management talent and a supporting staff for our operation in the PRC. Our PRC subsidiary, Icicle Beijing, is currently engaged in the provision of brand management and printing consulting services in the PRC. During the Track Record Period, Icicle Beijing mainly provided physical media production and management to the local offices of the international brand owners in the PRC, which included design and production of a variety of printed and packaging materials for their marketing and brand building purposes. For examples, we designed and produced membership application forms, welcome kits and birthday coupons for a department store in Beijing which is part of a renowned French department store network selling luxury brand products. Icicle Beijing was engaged by Client B for the design and artwork adaptation of gift cards in the PRC market. It was also engaged by an American multinational luxury fashion group for the design and production of its description cards, sales memos and labels to be used in its stores in China. As advised by our PRC Legal Advisers, as Icicle Beijing was not an advertisement operator under the Advertisement Law of the PRC (《中華人民共和國廣告法》) (the "PRC Advertisement Law") and did not engage in any commercial advertising activities under the PRC Advertisement Law during the Track Record Period and up to the Latest Practicable Date, it is not required to obtain a business licence from the local branch of SAIC which specifically includes operating an advertising business in its business scope. We intend to operate the business

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within the existing scope of business as currently carried out by Icicle Beijing in the future. Any digital production provided for the PRC clients will continue to be carried out by our Group's Hong Kong entity.

MAJOR QUALIFICATIONS AND LICENCES

During the Track Record Period, our Group is primarily engaged in marketing production services in Hong Kong and the PRC. Our Directors confirmed that our Group is not required to obtain any industry-specific qualification, licence or permit for the provision of the relevant services to our clients in Hong Kong and the PRC.

SALES AND MARKETING

As at the Latest Practicable Date, our strategy and business development team consisted of five members, which is responsible for our Group's overall business development strategy, promoting our Group's services to existing and potential clients and maintaining client relationships. We keep our clients informed about the latest trend of marketing production for marketing and branding purposes and provide our clients with suitable advices and proposals. Business development activities to potential clients are usually conducted by our strategy and business development team members' networking at personal level. We also keep our existing and potential clients informed of our recent projects to promote our business or create awareness to our clients of our capabilities especially in relation to new ideas used in newly launched projects.

We adopt a performance and bonus sharing scheme based on key performance indicators, instead of paying incentive commission to our strategy and business development personnel. For more details of our performance and sharing scheme, please refer to the paragraph headed "Employees" in this section.

Apart from our strategy and business development team, we have a marketing and brand management team during the Track Record Period. The marketing and brand management team is responsible for overall brand building and promotion of our Group so as to increase our awareness among potential clients. For example, we regularly send updates regarding developments of our new projects to our existing and potential clients via emails. Our Directors believe that our involvement in high-profile projects from time to time is an effective way to create awareness of our capabilities and services as potential clients may be attracted by certain projects that we were involved in and approach us directly for their next marketing campaign. Our management will also attend industry seminars or other events as guest speakers which indirectly create more awareness of our Group and promote our services and capabilities. As at the Latest Practicable Date, we were in the process of hiring new members of our marketing and brand management team.

For the two years ended 31 December 2016 and the five months ended 31 May 2017, our sale and marketing expenses amounted to approximately HK\$0.2 million, HK\$0.1 million and HK\$0.02 million, respectively.

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COMPLAINTS

If there is any complaint or specific demand from our clients, members of our strategy and business development team or the relevant project manager (as the case maybe) will communicate with the relevant clients and provide appropriate solutions on a case-by-case basis. For any material complaint, the relevant staff is required to report to the senior management who may deal with the complaint directly. We keep records of all complaints. We conduct internal reviews on complaints for corresponding improvement measures. Our Directors confirmed that, during the Track Record Period, our Group did not experience any complaint from our clients which had materially and adversely affect our business nor did our Group make any material compensation to our clients as a result of any client complaint.

PRICING POLICY

Except for a few clients with whom we offer retainer services, we generally did not enter into a long-term contract with our clients during the Track Record Period. Our service fees are generally set at a fixed amount subject to the scale, complexity and time schedule of a particular project. In formulating our service fees for an engagement, we usually make reference to the estimated time expected to be spent by our staff on the projects, costs of relevant production materials (for example the papers for the print or packaging items), the prevailing market rate of similar services offered in the industry, clients' budgets (if any) and our relationship with the clients.

During the Track Record Period, the service fees for engagements varied significantly as the types and specifications of our services provided to different clients varied significantly.

SEASONALITY

Our business is subject to seasonal fluctuations. During the Track Record Period, we generally recorded relatively higher monthly revenue between October and December as our clients usually require marketing production services for festive seasons such as Christmas and Chinese New Year. We generally experience lower sales during the first and third quarters of the year. Our business will generally pick up in the second quarter. Please refer to the paragraph headed "Risk factors — Risks relating to the operation of our Group — Our business is subject to seasonality factors" in this prospectus.

CLIENTS

During the Track Record Period, we served over 340 brand owners from different industries. We work directly with our clients who, among others, are international luxury brands, popular retail chain stores, global financial institutions and multi-national corporations of different business sectors. For the two years ended 31 December 2016 and the five months ended 31 May 2017, we

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served more than 240, 230 and 130 brand owners, respectively. The following table sets forth a breakdown of our revenue from continuing operation by business sector of our clients during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May	
	2015		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Financial institution and insurance company	27,192	31.7	31,693	34.9	11,483	40.6
Retail	24,390	28.5	27,692	30.4	8,901	31.5
Luxury brand	19,568	22.8	15,826	17.4	2,481	8.8
Corporate and others (<i>Note</i>)	<u>14,526</u>	<u>17.0</u>	<u>15,744</u>	<u>17.3</u>	<u>5,422</u>	<u>19.1</u>
Total	<u><u>85,676</u></u>	<u><u>100.0</u></u>	<u><u>90,955</u></u>	<u><u>100.0</u></u>	<u><u>28,287</u></u>	<u><u>100.0</u></u>

Note: These include corporates of other business sectors, non-commercial organisations and other public bodies.

Given our close relationship with our clients, for the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 59.3%, 56.0% and 56.6% of our clients were recurring clients who used our services more than one time in the relevant period, respectively. We generated revenue from continuing operation from these recurring clients of approximately HK\$83.8 million, HK\$89.6 million and HK\$27.3 million, representing approximately 97.8%, 98.5% and 96.6% of our total revenue from continuing operation for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively.

During the Track Record Period, all of the contracts/quotations we entered into with our clients were legally binding. The principal terms include, among other things, scope of services provided and the service fees. Since we offer a wide range of marketing production services across diversified media, the contract period and contract sum vary depending on, among other things, the type of services, complexity of the projects and the time schedule of our engagements. In general, a majority of our clients enter into contracts with us on a project-by-project basis and most of our projects are completed within one month. We generally do not enter into long-term contracts with our clients except that we entered into seven retainer contracts with contract periods ranging from one year to four years with our clients during the Track Record Period. For more details of the retainer contracts and the general contract terms with our clients, please refer to the paragraph headed “Key contract terms — Retainer contracts” in this section below. Contract sum for services rendered by us ranges from a few hundreds to over a million in Hong Kong Dollars during the Track Record Period.

During the Track Record Period, there was no termination of any contract by our clients. For details of our credit policy and payment methods, please refer to the paragraph headed “Internal control management — Credit control” in this section.

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Top five clients

For the two years ended 31 December 2016 and the five months ended 31 May 2017, our largest client accounted for approximately 22.6%, 22.6% and 25.9% of our revenue from continuing operation, respectively. For the two years ended 31 December 2016 and the five months ended 31 May 2017, our five largest clients accounted for an aggregate of approximately 58.4%, 60.2% and 61.9% of our revenue from continuing operation, respectively. The tables below set out the approximate revenue from continuing operation generated from our top five clients for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively, their principal business, the services provided by us and the length of business relationships with our Group:

For the year ended 31 December 2015

Rank	Client	Revenue generated HK\$'000	Approximate % of our Group's revenue	Length of business relationship	Services rendered by us
1	Client A	19,328	22.6%	11 years	Physical media production and management; digital media production, cross media development
2	Client E	16,746	19.5%	13 years	Physical media production and management; digital media production, cross media development
3	Client B	5,902	6.9%	10 years	Physical media production and management, cross media development
4	Client F	4,162	4.9%	11 years	Physical media production and management
5	Client D	3,833	4.5%	10 years	Physical media production and management; digital media production, cross media development
Total		<u>49,971</u>	<u>58.4%</u>		

Note: Revenue from continuing operation generated from Client B, Client D and Client E for the year ended 31 December 2015 included revenue generated from various subsidiaries of the same group of Client B, Client D and Client E, respectively.

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For the year ended 31 December 2016

<u>Rank</u>	<u>Client</u>	<u>Revenue generated</u> HK\$'000	<u>Approximate % of our Group's revenue</u>	<u>Length of business relationship</u>	<u>Services rendered by us</u>
1	Client A	20,569	22.6%	11 years	Physical media production and management; digital media production, cross media development
2	Client E	20,515	22.6%	13 years	Physical media production and management; digital media production, cross media development
3	Client B	5,723	6.3%	10 years	Physical media production and management, cross media development
4	Lady M	3,966	4.4%	2 years	Physical media production and management; digital media production, cross media development
5	Client F	<u>3,883</u>	<u>4.3%</u>	11 years	Physical media production and management
Total		<u><u>54,656</u></u>	<u><u>60.2%</u></u>		

Note: Revenue from continuing operation generated from Client B and Client E for the year ended 31 December 2016 included revenue generated from various subsidiaries of the same group of Client B and Client E, respectively.

For the five months ended 31 May 2017

<u>Rank</u>	<u>Client</u>	<u>Revenue generated</u> HK\$'000	<u>Approximate % of our Group's revenue</u>	<u>Length of business relationship</u>	<u>Services rendered by us</u>
1	Client A	7,329	25.9%	11 years	Physical media production and management; digital media production; cross media development
2	Client E	6,326	22.4%	13 years	Physical media production and management; digital media production; cross media development
3	Client G	1,499	5.3%	1 year	Physical media production and management; digital media production; cross media development
4	Client F	1,409	5.0%	11 years	Physical media production and management
5	Client H	939	3.3%	4 years	Physical media production and management; cross media development
Total		<u><u>17,502</u></u>	<u><u>61.9%</u></u>		

Note: Revenue from continuing operation generated from Client E and Client H for the five months ended 31 May 2017 included revenue generated from various members of the same group of Client E and Client H, respectively.

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Background information of our top five clients

Client A is an investment company incorporated in Hong Kong, which is part of a French multinational financial service company headquartered in Paris and listed on Euronext. The group of companies comprising Client A is a large insurance and asset management group, which operate primarily in Western Europe, North America, Asia-Pacific Region and, to a lesser extent, in other regions including the Middle East, Latin America and Africa. It is engaged in global insurance, investment management, retirement planning and other financial services with over 107 million customers serviced by 165,000 employees as of 30 June 2017 in 64 countries. The group of companies comprising Client A recorded registered revenues amounted to approximately Euro 100.2 billion (approximately HK\$820.64 billion) as at 31 December 2016 and had approximately Euro 1,429 billion (approximately HK\$11,703.51 billion) in assets under management as at 31 December 2016.

Client E is a company incorporated in Hong Kong, which is a subsidiary of a company incorporated in Bermuda and listed on the London Stock Exchange, Bermuda and Singapore. The group engages in diversified businesses focused in China and Southeast Asia. The group of companies comprising Client E operates supermarkets, hypermarkets, convenience stores, health and beauty stores and home furnishing stores under well-known brands, and it has a 50% interest in a Hong Kong's leading restaurant chain. As at 30 June 2017, the group and its associates and joint ventures operated over 6,600 outlets and employed over 180,000 people. It had total annual sales in 2016 exceeding US\$20 billion. The group of companies comprising Client E is a member of another diversified Asian-based group, which employs 430,000 people and is engaged in the fields of motor vehicles and related operations, property investment and development, food retailing, home furnishings, engineering and construction, transport services, insurance broking, restaurants, luxury hotels, financial services, heavy equipment, mining and agribusiness.

Client B is a company incorporated in Hong Kong and based in Hong Kong and China, which is a luxury fashion, beauty and lifestyle department store that offers a diversified designer portfolio in fashion and luxury goods in Greater China. It features a collection of international labels across womenswear, menswear, shoes and accessories, jewellery, beauty and home and lifestyle merchandise. The company operates eight stores in Hong Kong and major cities in the PRC.

Client F is a company incorporated in Hong Kong. It operates fast food chain of gyudon (beef bowls) restaurants in Hong Kong under famous Japanese brand which offers gyudon that is “tasty, low-priced and quick”.

Client D is a member of a group of companies headquartered in New York, U.S.A., the holding company of which is listed on the New York Stock Exchange. The group was founded in 1946 and is one of the world's leading manufacturers and marketers of quality branded skincare, makeup, fragrance and hair care products, which owns a diverse portfolio of labels distributed internationally. Its products are sold in more than 150 countries and territories. For the fiscal year 2016, the group of companies comprising Client D had net sales of approximately US\$11.3 billion

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and operating income of approximately US\$1.6 billion. The group operates over 1,230 freestanding stores and over 1,100 e-commerce or m-commerce sites in over 30 countries with over 46,000 employees worldwide.

Lady M is a company incorporated in Hong Kong and is engaged in handmade cakes and confectionary delights under a famous New York brand with boutique cafes in New York, Los Angeles and Singapore. It currently operates three boutique cafes in Hong Kong.

Client G is a company incorporated in Hong Kong which provides retirement and asset management to businesses, individuals and institutional clients. It is part of a global investment management group listed on the New York Stock Exchange, which offers businesses, individuals and institutional clients a wide range of financial products and services, including retirement, asset management and insurance through its diverse family of financial services companies, with offices in Asia, Australia, Europe, Latin America and North America. The group of companies comprising Client G employs over 14,800 employees worldwide as at 30 September 2015, and had over 19.2 million clients as at 31 March 2016 and over 11.5 million pension plan members in more than 70 countries as at 30 June 2016. As at 30 June 2017, it has assets under management of approximately US\$629.4 billion.

Client H is a company incorporated in Bermuda and is the life insurance business arm of an Asia-based private investment group. It is an authorised insurer by the Insurance Authority to carry on business in or from Hong Kong. It offers life insurance products and services with business covering Hong Kong, Macau, Thailand, Indonesia, the Philippines, Singapore and Vietnam. In Hong Kong and Macau, Client H has been providing quality services to around 534,000 customers with over 730 staff as at June 2017. Its total assets are worth approximately US\$9.0 billion as at 30 June 2016. Client H is the insurance business arm of an Asia-based private investment group which has interests in three core business pillars: financial services, technology, media and telecommunication and real estate.

Our Directors make conscious efforts to diversify the portfolio of our major clients. We closely monitor our client portfolio to ensure that there is no over-reliance on any single client to minimise the credit risk should any major clients default on their payment obligations. Our Directors confirmed that our Group had no material dispute with our clients and none of our clients was our major supplier during the Track Record Period.

The credit period granted to our top five clients during the Track Record Period was generally 30 days from the date of invoice which was similar to other clients. Our Directors confirmed that none of our major client is also a supplier of our Group.

None of our Directors, their close associates or any Shareholder (who or which, to the knowledge of our Directors owns more than 5% of the issued share capital of our Company) had any interest in any of our five largest clients during the Track Record Period. During the Track Record Period, our Group had not experienced any major disruption of business due to material

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delay or default of payment by our clients due to their financial difficulties. Our Directors further confirm that they are not aware of any material financial difficulties experienced by any of our major clients that may materially affect our Group's business.

KEY CONTRACT TERMS

Quotations

A contract with our client is generally concluded after our quotation is accepted by our client. The principal terms of quotations for our one-off projects for our clients include scope of services to be provided and the service fees.

Retainer contracts

We had entered into seven retainer contracts with contract periods ranging from one to four years during the Track Record Period. These retainer contracts are in relation to the provision of printing, packaging and sourcing marketing production services which include the development and maintenance of our clients' online marketing and purchasing platforms for physical media inventory and distribution management.

Our contracts relating to printing, packaging and sourcing marketing production services set out general terms including scope of services, service level, contract period, price rate for production, payment terms and termination clause. Our contracts relating to the development and maintenance of our clients' online marketing and purchasing platforms for physical media inventory and distribution management (including a four-year retainer contract with one of our insurance clients) also include provisions regarding warehouse inventory, delivery arrangement, invoice submission, reporting to the relevant clients, performance review schedule, arrangement of remaining stocks and training provided by our Group to the relevant client's staff for the use of the platforms.

SUPPLIERS AND SUBCONTRACTORS

We work with a variety of suppliers and subcontractors in the provision of our services to our clients. During the Track Record Period, our suppliers and subcontractors included (i) printing companies, photo and video shooting service providers, manpower resources service company for information system management, freelancers for digital media production and translators; and (ii) suppliers of papers and other packaging and sourcing materials, courier service providers, logistic service providers and information technology service providers. We engaged subcontractors during the Track Record Period mainly in relation to printing services, photo and video shooting service providers, manpower resources service company for monitoring, upgrading and enhancing our project management information system, freelancers for digital media production and translators.

We consider that our project management information system "Icicle Hub" is critical for our efficient project execution and management. During the Track Record Period, we outsourced the maintenance of our "Icicle Hub" to a manpower resources service company located in Manila, the

Philippines which provided computer programmers to assist us with such maintenance. The computer programmers provide various types of technical services and support including but not limited to maintenance, enhancement and upgrading of our “Icicle Hub”, as well as adding new functions, creating specialised features for a particular client account from time to time, upon instructions, and they are closely controlled by our project manager and enterprise solutions senior Manager. One of our project managers and our enterprise solutions senior manager monitor the service quality of these computer programmers. We pay an agreed monthly fee to the manpower service company for such services. We believe that this arrangement is cost efficient as we do not need to maintain a fixed number of headcount for our back office support in Hong Kong. Our Directors consider that it is also not easy to find the appropriate experienced programmers in Hong Kong at the same level of budget. Our Directors believe that the engagement of subcontractors for these tasks is cost efficient and flexible which allows our Group to better allocate resources.

In line with the industry practice, we generally do not enter into long-term contracts with our suppliers or subcontractors and the terms and conditions set out in our purchase orders placed with different types of suppliers or subcontractors are generally different. During the Track Record Period, we did not enter into long-term contracts with our suppliers or subcontractors except that we have entered into a sub-contracting agreement with a manpower service company on a retainer basis pursuant to which we paid an agreed monthly service fee for manpower in maintaining our project management information system and we give our work instructions from time to time, and our Group may terminate the contract by giving a 60-day notice to the subcontractor. To maintain our good relationship with our suppliers or subcontractors with whom we have long and stable working history, our Group has entered into partnership agreements with more than 10 suppliers or subcontractors mainly for the provision of printing services or paper supply but there is no provision to guarantee any amount of purchase by us. In general, our suppliers grant us a credit term of 30 days to 90 days, and we mainly settle our payment by cheque or bank transfer either in HK\$ or RMB. For major suppliers or subcontractors with whom we have long history of business relationships and on a case-by-case basis, we may enjoy a discount if we settle the payment earlier to them or our annual purchase exceed an agreed amount.

We maintained a list of over 900 suppliers and subcontractors as at the Latest Practicable Date. A majority of our suppliers and subcontractors are based in Hong Kong and the PRC. Some of our suppliers and subcontractors have more than 11 years of business relationship with our Group. We maintain a number of suppliers and subcontractors for each category of suppliers or subcontractors. Our Directors confirmed that we do not rely on any single supplier or subcontractor.

Selection of suppliers and subcontractors

Icicle Production is the holder of the Chain of Custody Certificate accredited by the Forest Stewardship Council, a certificate which certifies the management system of Icicle Production is able to ensure the original source of materials of the papers comes from responsibly managed forests. We also implement a responsible sourcing policy to purchase from socially responsible suppliers in terms of environmental management, employee health and safety, equality and diversity and ethical behaviour. Potential suppliers and subcontractors are selected carefully under our

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Group's suppliers and subcontractors accreditation programme based on a set of selection criteria. Each supplier or subcontractor is assessed and classified into different categories according to the criteria including quality and stability of the products and services, track records, reputation, pricing competitiveness, payment and credit terms, responsiveness to any contingency and whether the supplier or subcontractor has obtained any certificate or accreditation in the industry.

Evaluations of suppliers and subcontractors

We conduct evaluations and reviews of our major suppliers and subcontractors with reference to their service quality, on-site visits and feedback from our clients. Our Group maintains a supplier's performance index. The index of each supplier or subcontractor is calculated and updated based on the performance review. Any supplier or subcontractor who performs below the average index will not be considered for projects beyond a certain contract sum. Our Group maintains a number of suppliers or subcontractors for each category of suppliers or subcontractors, and as such our Directors believe that we do not rely on any single supplier or subcontractors and will have minimal exposure for the loss of any suppliers or subcontractors.

During the Track Record Period, we had not experienced any material shortage or delay of supply due to defaults of our suppliers or subcontractors. Our Directors confirmed that none of our suppliers or subcontractors was our client during the Track Record Period.

During the Track Record Period, employee benefit expenses, outsourced project costs and materials and consumables are the key components of our service costs. Our Directors are of the view that the printing services and papers purchased by our Group are consistent with the prevailing market price and expect the relevant purchase prices will continue to follow the market prices under normal operations and market conditions. During the Track Record Period, there was no material fluctuation in printing and paper costs. As at the Latest Practicable Date, we engaged about 19 printing companies. Our Directors considered that our Group would have no difficulty in finding substitute suppliers or pass on the increase in our purchase costs to our clients if there is any material increase in printing costs and paper costs.

Please refer to the paragraph headed "Financial information — Key factors affecting the results of our operations — Fluctuation in key costs" in this prospectus for the sensitivity analysis in relation to the outsourced project costs and materials and consumables. We currently do not engage in future contracts or other financial risk management strategies against potential price fluctuations in printing costs and paper costs.

Salient terms of sub-contracting agreements

The salient terms of the sub-contracting agreements in general include the sub-contracting fees, scope of services and time and duration of their services. Generally all intellectual property rights (if any) arising out of the course of their work for us shall be vested with our Group. The subcontractors are also under the obligations to ensure no third-party intellectual property rights will be infringed when delivering their work. We settle the subcontracting fees usually by way of cheque or bank transfer pursuant to the terms of the subcontracting agreements. For some video

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shooting projects, we may be required to prepay the subcontractors before the production. In general, the subcontractors shall be liable for penalty in case they fail to complete their work on schedule.

Top five suppliers and subcontractors

For the two years ended 31 December 2016 and the five months ended 31 May 2017, the cost of services, which include outsourced project costs and materials and consumables, attributable to our suppliers and subcontractors amounted to approximately HK\$43.5 million, HK\$42.9 million and HK\$11.5 million, respectively, and the five largest suppliers or subcontractors accounted for approximately 44.9%, 48.6% and 46.9% of our total cost of services, respectively, while the largest supplier or subcontractor accounted for approximately 13.9%, 12.0% and 14.6% of our total cost of services in the corresponding year/period.

The following tables set out the profile of our five largest suppliers and subcontractors based on the aggregation of cost of services (including outsourced project costs and materials and consumables) attributable to them during the Track Record Period:

For the year ended 31 December 2015

<u>Rank</u>	<u>Supplier and subcontractor</u>	<u>Principal business of our supplier and subcontractor</u>	<u>Purchase amount</u>	<u>Approximate % of total cost of services</u>	<u>Length of business relationship</u>	<u>Services provided</u>
HK\$'000						
1	Supplier A	A printing company	6,025	13.9%	11 years	Printing services
2	Supplier B	A printing company	5,221	12.0%	11 years	Printing services
3	Supplier C	A printing company	4,061	9.3%	10 years	Printing services
4	Supplier D	A paper supplier	2,296	5.3%	6 years	Paper supply
5	Supplier E	A printing company	<u>1,920</u>	<u>4.4%</u>	8 years	Printing services
Total			<u><u>19,523</u></u>	<u><u>44.9%</u></u>		

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For the year ended 31 December 2016

Rank	Supplier and subcontractor	Principal business of our supplier and subcontractor	Purchase amount	Approximate % of total cost of services	Length of business relationship	Services provided
			HK\$'000			
1	Supplier F <i>(Note)</i>	A printing company	5,130	12.0%	2 years	Printing services
2	Supplier B	A printing company	4,981	11.6%	11 years	Printing services
3	Supplier C	A printing company	4,912	11.4%	10 years	Printing services
4	Supplier A	A printing company	4,070	9.5%	11 years	Printing services
5	Supplier G	A printing company	<u>1,766</u>	<u>4.1%</u>	8 years	Printing services
Total			<u><u>20,859</u></u>	<u><u>48.6%</u></u>		

Note: Due to some large scale projects for the retail outlets of Client E, Supplier F was engaged as it has the capability to deliver the printing services in a short period of time. Supplier F became our largest supplier for the year ended 31 December 2016.

For the five months ended 31 May 2017

Rank	Supplier and subcontractor	Principal business of our supplier and subcontractor	Purchase amount	Approximate % of total cost of services	Length of business relationship	Service provided
			HK\$'000			
1	Supplier B	A printing company	1,690	14.6%	11 years	Printing services
2	Supplier F	A printing company	1,418	12.3%	2 years	Printing services
3	Supplier C	A printing company	1,372	11.9%	10 years	Printing services
4	Supplier H	A paper supplier	474	4.1%	11 years	Paper supply
5	Supplier I	A corporate premium supplier	465	4.0%	1 year	Corporate gifts and premium such as T-shirts, bags and folders
Total			<u><u>5,419</u></u>	<u><u>46.9%</u></u>		

To the best of our Directors' knowledge, none of our Directors, their respective close associates or our Shareholders (who or which, to the knowledge of our Directors owns more than 5% of the issued share capital of our Company) had any interest in any of our Group's five largest suppliers and subcontractors during the Track Record Period.

INTERNAL CONTROL MANAGEMENT**Credit control**

Our Group adopts prudent credit control procedures and our finance department is responsible for monitoring settlement of our receivables from time to time.

For new clients, we may require them to make an upfront payment equals to the service fee to be billed in the first invoice or settle the payment upon service delivery without credit checking. Any credit term provided to our clients is subject to review by our finance department. Subject to the trading amounts, payment settlement history and creditworthiness based on our internal credit assessment, we may alter the credit terms to our existing clients. We generally offered a credit period of 30 days from the date of invoice, and no clients had been granted a credit period of more than 60 days during the Track Record Period.

Our management closely monitors the settlement status of our trade receivables to ensure a healthy cashflow. The project manager of each project is responsible to monitor the payment status and chase for settlement if it is overdue. It is our Group's target to maintain an account receivable turnover days of not more than 45 days. Our staff are motivated under our incentive scheme to chase for payments. During the Track Record Period, we had no record of material long overdue trade receivables from our clients. Our trade receivable turnover days exceeded our Group's maximum credit period of 60 days during the Track Record Period which was mainly due to the delay in settlement from some of our clients and that we recorded relatively high revenue in the fourth quarter of the year. Our Directors are of the view that there is no trade receivable recoverability problem. For relevant details, please refer to the paragraph headed "Financial information — Net current assets and selected items of consolidated statements of financial position — Trade and other receivables, deposits and prepayments — trade receivables" in this prospectus.

During the Track Record Period, our invoices were mainly denominated and settled either in HK\$, RMB or US\$ and were settled by our clients by way of cheque or bank transfer.

Quality control

Client satisfaction and day-to-day quality control are essential to our business. Our project managers take the primary responsibility for day-to-day monitoring of our services in terms of quality and time efficiency in delivery. They work closely with the marketing production teams for the day-to-day monitoring of work quality and progress of our suppliers' work. They also keep close contact with our clients to take instructions, report work status and provide advices from time to time. Creative design and other important documents throughout the critical workflow processes are to be approved by the leaders of the relevant marketing production teams, and the relevant project managers ensure our work is done in accordance with the standard and the specifications of our clients. To optimise the marketing performance of our digital production services for the achievement of the marketing objectives of the brand owners, we have to constantly collect feedback from target audiences, monitor public responses and produce evaluation reports for evaluation and fine-tuning purposes.

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For projects involving printing, our marketing production team will check the artwork files received from our clients and conduct quality check of colour separation and film output before bulk printing. For all new clients or upon request by our clients, our marketing production team will conduct production monitoring at the production sites of our suppliers. Our suppliers are also required to deliver us samples of the final products for confirmation and update us the delivery for our monitoring.

For projects involving confidential data printing and direct mailing service, project handlers are required to check and confirm the printing sample with our clients before bulk printing and lettershopping. Prior to delivery of the letters for postage, our staff will count the number of letters to ensure it matches with the total number of data recorded. For further details of our management of privacy data, please refer to the paragraph headed “Others — Management of privacy data” below.

To further enhance our overall service quality, any incident of a project would be reported instantly and recorded and shared on our management information system among different teams. A monthly meeting will be held to review any incident being reported and the relevant rectification measures, and make recommendations to improve the working procedures. Minutes of these meetings, together with any improvement proposals, will be passed to the management team for further discussion and approval.

Client satisfaction survey will be automatically sent to our clients through our project management information system “Icicle Hub” randomly to collect clients’ feedback for evaluation and improvement.

Information technology

We believe establishing and maintaining a reliable and up-to-date technology infrastructure is critical to the operation of our business, in particular for the provision of our digital production services. We utilise a third-party services provider to maintain our servers running continuously. We have strict policies to ensure the stability and security of the system or upgrade of software.

We have adopted our upgraded project management information system “Icicle Hub” to monitor the implementation of our projects since February 2015. For relevant details, please refer to the paragraph headed “Procedures of our business operations — Project execution and delivery — Project management — Project management by “Icicle Hub” in this section. Our operations, from the acceptance of purchase orders to the issuance of invoices and payment settlement, are maintained and monitored through the system. Our system is protected by regular back-ups which are carried out by our information technology team and our third-party service provider. As confirmed by our Directors, there had been no unexpected system or network failure which caused material interruption to our operations during the Track Record Period.

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We are committed to safeguard the confidentiality, integrity and availability of all electronic information. Our servers are hosted on a reputable cloud computing service provider. In addition to our routine security check, we use the tools offered by such computing service provider including firewall and back-up services to assist us in meeting our security and stability objectives.

As at the Latest Practicable Date, there were two employees in our information technology team, who were responsible to maintain our system infrastructure.

Others


Consumables management

We keep stock of consumables such as papers or other production and sourcing materials pending production or deliveries to our clients in our warehouse from time to time. With our project management information system, relevant staff of the projects can manage the stock level of such consumables instantly. We will also conduct internal stocktake periodically to ensure the stock level of such consumables is accurate.

Management of privacy data

For projects involving confidential data printing and direct mailing service, we have a strict internal data handling procedures to ensure that the confidentiality of privacy data is protected. All relevant work processes are done on a printer server with no Internet access and no removable storage device is allowed to be used throughout the process. All data are encrypted and only relevant project handlers are provided with the unique login ID to access to the data. All printed sheets containing confidential data and the relevant records of quality control are required to be destroyed within one month after the project is completed.

INTELLECTUAL PROPERTY

We have operated our business under the “Icicle” name for over 15 years. As at the Latest Practicable Date, we have registered the trademarks “” in Hong Kong. As at the Latest Practicable Date, we had registered the domain name of “www.iciclegroup.com”. Detailed information of our intellectual property rights is set out in the paragraph headed “Statutory and general information — B. Further information about the business of our Company — 2. Summary of intellectual property rights of our Group” in Appendix IV to this prospectus.

During the Track Record Period, we were not involved in any dispute or infringement of trademarks and patents.

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EMPLOYEES

As at the Latest Practicable Date, we had 54 full-time and seven part-time employees. A breakdown of our employees by function and geographic location as at 31 December 2015, 31 December 2016, 31 May 2017 and the Latest Practicable Date is set forth below:

	As at 31 December		As at 31 May	As at the Latest Practicable Date
	2015	2016	2017	
Hong Kong				
Executive Director	1	1	1	1
Operations Management	—	—	1	1
Strategy and business development	5	4	4	5
Marketing and brand management	2	—	—	—
Project management	8	12	8	9
Marketing production	35	32	35	35
Human resources, office management and advisors	4	3	3	3
Finance	2	3	3	3
Information technology	2	2	2	2
The PRC				
Project management	2	1	1	1
Human resources and office management	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u><u>62</u></u>	<u><u>59</u></u>	<u><u>59</u></u>	<u><u>61</u></u>

We generally recruit our employees from the open market and enter into employment contracts with our employees. Apart from offering attractive remuneration packages to our employees, we take performance management to heart and implement a performance and bonus sharing scheme based on key performance indicators to all full-time staff members (excluding Ms. Bonnie Chan Woo) for the purpose of enhancing our overall performance. This is a quarterly performance management system adopted since 2014. The system requires each employee to agree with his/her supervisor to commit to a set of key performance targets, including the financial targets of our Group. All employees are appraised quarterly and each employee is rewarded with a quarterly discretionary bonus if both our Group's financial targets and his/her individual targets are met.

Staff retained after the probation period are entitled to medical insurance coverage. We also provide a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong. As for our employees in the PRC, we pay them social security funds

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including pension insurance, medical insurance, unemployment insurance, occupational injury insurance, insurance for maternity leave and housing provident fund contributions as required under the PRC laws and regulations.

We incurred employee benefit expenses of approximately HK\$17.6 million, HK\$17.5 million and HK\$7.7 million for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively. We regularly review the performance of our employees and adjust their salaries or propose promotion accordingly in order to retain talented employees.

We maintain good working relationships with our employees. There had not been any labour dispute within our Group during the Track Record Period and up to the Latest Practicable Date.

STAFF DEVELOPMENT

We believe in staff development as it is our Group's policy in building our own team of talents with different specialities to manage projects in-house, as well as to promote the overall efficiency and employee loyalty and retention. To this end, we provide our employees, from time to time, with technical and operational on-the-job training, and sponsor our employees to attend external trainings and courses. We also organise offsite team-building events for selected employees once every two years to foster stronger relationships among various team members. Apart from continuous training, we also conduct quarterly performance review with all our employees to review their performance to better understand their career development and prospects with our Group. New employees are required to attend orientation programme during probation period, and their performance will be reviewed regularly to ensure they attain our Group's level of expectation.

HEALTH AND WORK SAFETY MATTERS

We are required to comply with various safety laws and regulations in Hong Kong. Our operations are also subject to occupational health and safety regulations issued by the relevant occupational health and safety authorities in Hong Kong. As advised by our PRC legal advisers, King & Wood Mallesons, we are not subject to any specific laws and regulations regarding workplace safety in the PRC as we are not engaging in manufacturing business.

Our Directors confirmed that to the best of their knowledge, information and belief, during the Track Record Period and up to the Latest Practicable Date, we were in compliance with the safety laws and regulations in all material respects. We have taken measures to promote occupational health awareness and safety at workplace. During the Track Record Period, we had not experienced any significant workplace accident.

INSURANCE

For our Hong Kong employees, we maintain employees' compensation insurance in compliance with the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) to cover compensation and liability borne by our Group for personal injuries of our employees in Hong Kong in the course of employment with us. We also maintain insurance for our

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staff's hospitalisation and surgery. We have taken out and maintained insurance covering the loss and damages of equipment and properties in our Hong Kong office and accidental bodily injury in the office premises. We have also maintained insurance policies for our warehouse in respect of loss and damages to machinery, plant and equipment, stock and materials stored in the warehouse and liabilities to third party. We will arrange appropriate insurance in respect of legal action against our Directors which will be effective upon Listing. Our Directors consider that our Group's insurance coverage is sufficient and in line with normal commercial practice in Hong Kong.

Save for the PRC social security funds for which we are required to maintain, we had not taken out any other insurance against personal injuries of our PRC employees or property damages of our office premises and office equipment in the PRC.

For the two years ended 31 December 2016 and the five months ended 31 May 2017, we have incurred approximately HK\$0.1 million, HK\$0.1 million and HK\$0.1 million as the costs of insurance, respectively.

ENVIRONMENTAL MATTERS

Our Directors believe that the marketing production industry in which we operate our business does not generate environmental pollution in general, hence, the impact of our operations on the environment is limited. Icicle Production is the holder of the Chain of Custody Certificate accredited by the Forest Stewardship Council, a certificate which certifies the management system of Icicle Production in ensuring the original source of materials of the papers comes from responsibly managed forests. Apart from that, we also have taken measures to facilitate the environmental-friendliness of our workplace by encouraging a recycling culture within our Group.

During the Track Record Period, we were not subject to any major environmental claims, lawsuits, penalties or disciplinary actions.

Our Group did not incur any material environmental compliance costs during the Track Record Period.

SOCIAL RESPONSIBILITIES

We believe our contributions to the society should stretch beyond the four walls of our office. We have made long-term commitments to work with other community organisations in Hong Kong. Since 2006, we have been supporting Homeless World Cup Fundraising Tournament annually in Hong Kong organised by Street Soccer Hong Kong Limited and co-organised by Wofoo Social enterprises and Society for Community Organisation, which are non-profit organisations. Homeless World Cup is a social movement which uses football to inspire homeless people to change their own lives.



MARKET AND COMPETITION

We operate in a highly-competitive industry. According to the Ipsos Report, there are a large number of fragmented small to medium service providers. There are also numerous media channels and marketing platforms through which brand owners can choose for their marketing and branding exercises. For details of the industry we operate our business and the competition we face, please refer to the section headed “Industry overview” in this prospectus. Please refer to the paragraph headed “Risk factors — Risks relating to our industry — We are operating in the highly competitive marketing production industry and may not be able to compete successfully which could reduce our market share and adversely affect our financial performance” in this prospectus for details of the risk of our business due to the market competition.

Our Directors consider that, while the entry barriers for new comers of the industry may be low if they compete against us for marketing production for a single type of media format, the entry barriers for the provision of a diversified range of marketing production services can be high. New

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comers may face difficulties in maintaining and enlarging their market share and in sustaining a team of quality marketing production talents. Our business is also subject to the budget of the brand owners, which in turn is subject to the conditions of the consumer market and the economic environment. With our robust teams of talents with specialities in marketing production services, our Directors believe that we can continue to maintain our competitiveness and our market position by strengthening and developing our competitive strengths. Our competitive strengths include the following:

- we have extensive and solid clientele;
- we have strong ability to provide marketing production services to brand owners;
- we develop our own teams of talents for optimisation of performance; and
- our experienced management team is supported by well-trained employees.

Please refer to the paragraph headed “Competitive strengths” in this section for details of our competitive strengths.

PROPERTIES

Hong Kong

We are headquartered in Hong Kong. As at the Latest Practicable Date, we did not own any property and we had entered into licence or lease in relation to two properties in Hong Kong for the operations of our business, details of which are as follows:

<u>Address</u>	<u>Usage</u>	<u>Leased area</u>	<u>Monthly rent</u>	<u>Tenure</u>
Units A and B, 7th Floor, Cheung Wah Industrial Building, Nos. 10–12 Shipyard Lane, Quarry Bay, Hong Kong	Data printing production and storage	Approximately 8,600 square metres	HK\$162,720	1 April 2017 to 30 April 2018
Unit 4, 12/F, 18 King Wah Road, North Point, Hong Kong	Office	Approximately 4,800 square metres	HK\$304,668	15 September 2017 to 14 March 2018 (with an offer to lease from 15 March 2018 to 14 March 2021)

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The term of the licence or lease agreements for our offices as mentioned above will expire in April 2018 and March 2018, respectively. We currently occupy our office premises located in North Point, Hong Kong, as a licensee pursuant to a licence agreement dated 9 August 2017, which will expire on 14 March 2018. We have also entered into an offer to lease dated 9 August 2017 with the landlord for the same premises for a term commencing from 15 March 2018 until 14 March 2021, with an option to renew for a further period of three years expiring on 14 March 2021. Given that we currently occupy the office premises as a licensee, we do not have an interest in land. In the event that the landlord terminates the licence for any reasons whatsoever, we can only seek damages but not in occupation of the property. There is also no guarantee that the landlord will enter into a formal tenancy agreement with us, in which event, we could only apply to court to seek for specific performance of the landlord to enter into the tenancy with us. Further, the licence agreement is non-registrable and the offer to lease is registrable but our Group has failed to register the same due to an expressed prohibition against registration by us contained in the offer to lease. Any failure of registration of the offer to lease may result in the option to renew for a further period of three years being unenforceable against third parties. In the event that we are to relocate our office premises, our Directors believe that we will have no difficulty in relocating to another premises which is comparable to our existing office premises.

PRC

During the Track Record Period, Icicle Beijing did not enter into any tenancy agreement but had used an office space at Room 1215A, 12th floor, No. 2 Dongsanhuan Beilu, Chaoyang District, Beijing, the PRC pursuant to consultancy agreements entered into with an Independent Third Party under which Icicle Beijing paid a monthly fee. The consultancy agreement at a monthly fee of RMB10,000 commenced on 1 September 2016 and had expired on 31 August 2017.

As from 1 July 2017 and up to the Latest Practicable Date, Icicle Beijing had rented a new office space with legal and valid lease, used it as the registered office of Icicle Beijing in the PRC and updated the new address for record with the Beijing Administration for Industry and Commerce of the PRC. The office space is located at Suite A8, 10th floor, Twin Towers (East), B12 Jianguomenwai Ave., Chaoyang District, Beijing, the PRC with a monthly rent of RMB10,000. The lease will expire on 30 June 2018.

According to the Administration Rules on Tenancy of Commodity Housing (《商品房屋租賃管理辦法》), the parties to the lease agreements should file with the relevant housing administrative authorities for recordation of the lease agreement within 30 days after the execution of the lease agreement. Otherwise, they may be ordered by the competent authority to make corrections for any non-recordation of lease agreements, and a fine of less than RMB1,000 (for individuals) or more than RMB1,000 and less than RMB10,000 (for entities) for delay in making such correction may be imposed. Icicle Beijing was in the process of making the required recordation of the lease agreement with the relevant PRC authorities as at the Latest Practicable Date and we expect to complete the recordation within the first quarter of 2018. As advised by our PRC legal advisers, the non-recordation of the lease agreement will not affect the validity of such lease agreement but we may be exposed to penalties or fines imposed by the relevant PRC authorities. During the Track

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Record Period and up to the Latest Practicable Date, no penalty or fine had been imposed on us by the relevant housing administrative authorities for the non-recording of the lease agreement. Our Directors confirmed that our business, financial condition, results of operations and prospects would not be materially affected by any potential fines or penalties that may be imposed by the relevant housing administrative authorities for non-recording of the lease agreement. Our Directors consider the adverse impact on our business and financial condition would be minimal in relation to the property-related issues as stated above. Our Directors believe that the costs and time of relocation from existing premises to other premises can be efficiently controlled and that disruption to our operations will be minimised should we be required to relocate the office in Hong Kong due to the said property-related issues. For details of the relevant risk, please refer to the paragraph headed “Risk factors — Risk relating to the operation of our group — We may be subject to termination of the current tenancies and be required to relocate our office premises” in this prospectus.

During the Track Record Period, Icicle Beijing also leased an office space in Shanghai but such tenancy has ended in October 2015 as a result of the closure of our Shanghai office. Such a closure was due to our streamlining efforts, having considered the costs and need of maintaining a physical office to service our clients in Shanghai. Given that (i) we already have one office in Beijing through which we have been able to provide our service effectively to our clients in the PRC; (ii) we have direct and long-established relationships with these clients; (iii) we can service such clients through the support of our in-house talents headquartered in Hong Kong; (iv) we can expand and explore further business opportunities with brand owner clients based in the PRC through business development personnel who can travel from Hong Kong to the PRC while staying connected with our production team in Hong Kong through electronic communications, conference calls, video conferences, our company-wide cloud collaborative platforms and real-time messaging facilities without the need to set up a physical presence; and (v) such business development personnel usually develop business through their personal networking or direct business pitching without the need to set up a physical presence, and therefore, we considered it was not cost efficient to maintain two offices in the PRC and decided to close down our Shanghai office.

All of our premises are leased or licensed from Independent Third Parties. Our property rentals were approximately HK\$2.7 million, HK\$3.1 million and HK\$1.3 million for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively.

Property valuation

As at the Latest Practicable Date, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 8.01A of the GEM Listing Rules to include in this prospectus any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

LEGAL PROCEEDINGS

During the Track Record Period and as at the Latest Practicable Date, no member of our Group was engaged in any claim, litigation or arbitration of material importance and no claim, litigation or arbitration of material importance was known to our Directors to be pending or threatened against any member of our Group.

As at the Latest Practicable Date, none of our Directors or senior management was involved in any material litigation, arbitration or administrative proceedings.

REGULATORY COMPLIANCE AND CORPORATE GOVERNANCE

Non-compliance incidents in the PRC

As advised by our PRC Legal Advisers, a PRC employer is required to open a corporate account and make registrations with the local social insurance authority under the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and with the housing provident fund management center under the Regulation on Administration of Housing Provident Fund (《住房公積金管理條例》), in each case within 30 days after the date of its establishment. If an employer fails to comply with the requirements, it will be subject to penalties by the relevant PRC authority such as an order to rectify and fines. Fines imposed by local social insurance authority include a fine of 1 to 3 times the amount of the social insurance premiums payable upon it and a fine of not less than RMB500 but not more than RMB3,000 upon the directly liable person in charge and other directly liable persons. The fine imposed by the housing provident fund management center shall be not less than RMB10,000 but not more than RMB50,000.

Since Icicle Beijing did not make the required registrations with the local social insurance authority and with the local housing provident fund management center in Beijing within the time limit set out under the applicable laws and therefore did not make the required contributions to the relevant funds through its own corporate account for the benefit of its employees. Instead, Icicle Beijing had engaged a service provider, Beijing Foreign Enterprise Human Resources Services Co., Ltd., being an Independent Third Party, to handle certain employee-related matters and make the required contributions to the relevant funds during the Track Record Period. Our PRC Legal Advisers advised that Icicle Beijing may be found by the relevant authorities to be in non-compliance with the abovementioned PRC laws. To rectify such non-compliance incidents, Icicle Beijing has completed the required registrations with the relevant authorities and the related administrative procedures such as provision of details of its employees in May 2017 and has duly made the required contributions to the relevant funds through its own corporate account for the benefit of its employees since then. As we had not received any rectification order from the relevant authorities and our Directors confirmed that Icicle Beijing had made full contributions for the social insurance and the housing provident fund for the relevant employees through the service provider during the Track Record Period, our PRC Legal Advisers are of the view that such non-compliance will not have material adverse impact on the operations of Icicle Beijing.

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Upon due and reasonable enquiries, save as disclosed above, our PRC Legal Advisers are of the opinion that Icicle Beijing had complied with the applicable laws and regulations in relation to its businesses in all material respects and obtained all necessary licences, certificates and permits for its operations in the PRC during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable laws and regulations in Hong Kong in all material respects.

Corporate governance

To further enhance the quality of our corporate governance, our Group has adopted or intend to adopt the following measures:

- it has been given to our Directors training sessions conducted by our legal advisers as to Hong Kong laws in February and March 2017 or training material regarding ongoing obligations, duties and responsibilities of directors of publicly listed companies under the Companies (Miscellaneous Provisions) Ordinance, the Companies Ordinance, the SFO and the GEM Listing Rules;
- we have appointed Mr. Wong Leung Kit, our senior finance manager, who will act as the principal channel of communication between members of our Group and our Company in relation to legal, regulatory and financial reporting compliance matters of our Group as well as the chief coordinator to oversee the internal control procedures in general. Details of Mr. Wong's qualifications and experience are set out in the section headed "Directors and senior management" in this prospectus;
- we have appointed Ms. Bonnie Chan Woo as our compliance officer. The role of the compliance officer includes providing advice on the implementation of procedures to ensure that our Group complies with the GEM Listing Rules and other relevant laws and regulations applicable to our Group, carrying out the day-to-day implementation and monitoring of our internal control system, overseeing the risk management and implementing the risk management policies and procedures, and responding promptly and efficiently to all enquiries from the Stock Exchange;
- our Company has appointed Ballas Capital Limited as our compliance adviser to advise our Group on compliance matters upon Listing in accordance with Rule 6A.19 of the GEM Listing Rules; and
- we have established an audit committee with written terms of reference in accordance with Appendix 15 to the GEM Listing Rules to review the internal control system and procedures for compliance with the requirements of the GEM Listing Rules, the Companies Ordinance and other applicable laws, rules and regulations.

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Our Group aims to ensure that our operations are in compliance with the applicable laws, rules and regulations with respect to our business operations in Hong Kong and in the PRC. Our relevant senior management will conduct regular internal control reviews on our operations and recommend remedial proposals on any internal control deficiency to our audit committee, which will then advise our Board. Any proposal approved by our Board will be implemented and closely monitored. Progress and effectiveness of any remedial plan will be reported to the audit committee. Any material internal control failing, weakness or deficiency identified during the review process and the relevant follow up or remedial measures (if applicable) taken by our Group will be disclosed in our annual report after Listing.

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Prospective investors should read this section in conjunction with our audited consolidated financial statements, including the notes thereto, as set out in the Accountants' Report. Our Group's consolidated financial statements have been prepared in accordance with HKFRSs. Prospective investors should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain certain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by our Group in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors our Group believes are appropriate under the circumstances. However, whether actual outcomes and developments will meet our Group's expectations and projections depends on a number of risks and uncertainties over which our Group does not have control. Factors that might cause future results to differ materially from those projected in the forward-looking statements include those discussed in the section headed "Risk factors" and elsewhere in this prospectus.

OVERVIEW

Our Group is a marketing production company headquartered in Hong Kong with a focus on printing, packaging and sourcing. During the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 88.9%, 89.5% and 89.0% of our revenue were derived from physical media production and management in printing, packaging and sourcing services, respectively. We design, create and produce marketing and branding materials and contents in Hong Kong and the PRC to clients who are international and local brand owners, including global financial institutions, luxury brand retailers and local retail chain stores. Commencing our business in late 1990s, we have over 18 years of experience in project management and production of printed marketing and branding materials. We have further expanded our business to the production of creative contents for marketing and branding purposes for use in the emerging digital media in 2013 and in the form of video since 2014, and subsequently expanded to cover marketing production for use in the form of photographs, social media contents, websites and other digital media.

For the two years ended 31 December 2016, our revenue from continuing operation amounted to approximately HK\$85.7 million and HK\$91.0 million, respectively, representing a year-on-year growth of approximately 6.2%. For the five months ended 31 May 2017, our revenue from continuing operation amounted to approximately HK\$28.3 million. Our profit after tax from continuing operation for the two years ended 31 December 2016 was approximately HK\$6.7 million and HK\$9.1 million, respectively. We recorded a loss after tax from continuing operation of approximately HK\$3.8 million for the five months ended 31 May 2017.

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BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 20 January 2017 and became the holding company of our Group pursuant to the Reorganisation completed on 16 November 2017. Details of the Reorganisation are set out in the section headed “History, Reorganisation and corporate structure” in this prospectus. The financial information has been prepared as if our Company had been the holding company of our Group throughout the Track Record Period. Preparation of the financial information of our Group was in accordance with HKFRSs.

KEY FACTORS AFFECTING THE RESULTS OF OUR OPERATIONS

Our financial conditions and results of operations have been and will continue to be affected by a number of factors, including those discussed below.

Change in overall economic conditions

For the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 99.0%, 98.9% and 98.7% of our revenue from continuing operation was generated from commercial clients which were international and local brand owners from a variety of business sectors, respectively. Our clients’ spending are closely related to economic conditions and therefore our Group is indirectly exposed to economic factors and risks that may affect the brand owners, such as disposable income per household, average saving rates, consumer spending and GDP growth in Hong Kong and the PRC. Any change of the economic conditions and the consumer market in the future may cause material and adverse impact on our Group’s business and financial performance. The total corporate marketing expenditure in Hong Kong in 2016 is estimated to be increased by approximately 5.9% to about HK\$30.6 billion of which the physical marketing expenditure is expected to be increased by approximately 6.8% to about HK\$12.6 billion. Our Directors considered that our Group has been benefited from the growth of total corporate marketing expenditure in Hong Kong, especially the stable growth in the physical marketing expenditure.

Our ability to keep abreast with the latest development of the market

Our ability to keep abreast with the latest development of any new media and the trend of the consumer market of which the brand owners are targeting is critical to our business growth. Should we fail to stay ahead of the industry trend and rapidly respond to cater to the needs of our clients, our business may be adversely affected.

Provision of quality marketing production services

Our Group’s success is reliant on our continued ability to offer marketing production services to brand owners, which has enabled us to provide our clients with value-added and innovative branding and marketing solutions.

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We believe our ability in offering diversified services, which include physical media production and management, digital media production and cross media development, distinguish us from our competitors. However, we still face intense competition as our Directors consider that the entry barriers for new comers offering single type of services may be low if they only compete against us for marketing production for a single type of media format. If we are not able to compete with the existing and new competitors, we may not be able to maintain our margin and our results of operations may be adversely affected.

Our ability to maintain our existing client base in Hong Kong and further expand our business network in the PRC

Our success is dependent on our ability to increase revenue by maintaining our existing clients in Hong Kong and the PRC. For the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 82.9%, 90.4% and 89.8% of our revenue from continuing operation was generated by our clients based in Hong Kong, respectively, and approximately 5.7%, 3.0% and 3.0% of our revenue from continuing operation was generated by PRC-based clients, respectively. Given our close relationship with our clients, for the two years ended 31 December 2016 and the five months ended 31 May 2017, approximately 59.3%, 56.0% and 56.6% of our clients were recurring clients who used our services more than one time in a financial year. Since many of our existing and potential clients are brand owners who conduct businesses locally and overseas, our ability to maintain our existing clientele in Hong Kong and further expand our business into the PRC or other overseas markets may affect our operational and financial performance.

Talent management and retention

As a marketing production company, we believe that human resources and talent management are the keys to our success. During the Track Record Period, we had a multi-cultural management team with substantial industry experience and overseas work experience. To retain and develop our dedicated staff, we offer attractive remuneration and a good working environment to them. For the two years ended 31 December 2016 and the five months ended 31 May 2017, our employee benefit expenses from continuing operation amounted to approximately HK\$17.6 million, HK\$ 17.5 million and HK\$7.7 million, respectively. We expect that our staff costs will increase as we intend to recruit more staff and continue to provide training to them in order to cater to our expansion plan. Accordingly, our results of operations and financial condition may be affected.

Fluctuation in key costs

The key costs for our business operations are (i) employee benefit expenses; (ii) outsourced project costs; and (iii) materials and consumables. We engage suppliers and subcontractors in Hong Kong and the PRC and our main purchases include printing services and papers. Please refer to the paragraph headed “Business — Suppliers and subcontractors” in this prospectus for further details.

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We manage cost fluctuations by (i) buffering for inflation and possible cost increases during the contract period when submitting our quotations; and (ii) obtaining quotations from different suitable suppliers and contractors when placing purchase orders. Notwithstanding our management of costs, any material fluctuation in our key costs may adversely impact our financial performance.

The following sensitivity analysis illustrates the impact of hypothetical fluctuations of (i) employee benefit expenses; (ii) outsourced project costs; and (iii) materials and consumables on our profit after tax for the year during the Track Record Period. The hypothetical fluctuation rates for (i) employee benefit expenses is set at 15.68%, which corresponds to the approximate annual maximum percentage change in monthly salary of talented creative designers in Hong Kong from 2011 to 2015 as stated in the Ipsos Report, please refer to the paragraph headed “Industry overview — Major direct costs of marketing service industry in Hong Kong and the PRC” in this prospectus; (ii) outsourced project costs is set at 10.0%, which corresponds to the historical fluctuation of our outsourced project costs during the Track Record Period; and (iii) materials and consumables is set at 13.34%, which corresponds to the approximate maximum percentage change in the annual average selling price of cultural paper in Hong Kong, from 2011 to 2015 as stated in the Ipsos Report, please refer to the paragraph headed “Industry overview — Major direct costs of marketing service industry in Hong Kong and the PRC” in this prospectus, and are therefore considered reasonable for the purpose of this sensitivity analysis.

Hypothetical fluctuations in our employee benefit expenses	–15.68%	+15.68%
	HK\$'000	HK\$'000
Change in employee benefit expenses		
Year ended 31 December 2015	(2,760)	2,760
Year ended 31 December 2016	(2,741)	2,741
Five months ended 31 May 2017	(1,200)	1,200
Increase/(decrease) in profit after tax for the year/ decrease/(increase) in loss after tax for the period (Note)		
Year ended 31 December 2015	2,224	(2,224)
Year ended 31 December 2016	2,219	(2,219)
Five months ended 31 May 2017	1,468	(1,468)

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Hypothetical fluctuations in our outsourced project costs	–10.0%	+10.0%
	HK\$'000	HK\$'000
Change in outsourced project costs		
Year ended 31 December 2015	(3,069)	3,069
Year ended 31 December 2016	(3,183)	3,183
Five months ended 31 May 2017	(777)	777
Increase/(decrease) in profit after tax for the year/ decrease/(increase) in loss after tax for the period (Note)		
Year ended 31 December 2015	2,473	(2,473)
Year ended 31 December 2016	2,577	(2,577)
Five months ended 31 May 2017	950	(950)
Hypothetical fluctuations in our materials and consumables	–13.34%	+13.34%
	HK\$'000	HK\$'000
Change in materials and consumables		
Year ended 31 December 2015	(1,703)	1,703
Year ended 31 December 2016	(1,477)	1,477
Five months ended 31 May 2017	(503)	503
Increase/(decrease) in profit after tax for the year/ decrease/(increase) in loss after tax for the period (Note)		
Year ended 31 December 2015	1,373	(1,373)
Year ended 31 December 2016	1,196	(1,196)
Five months ended 31 May 2017	616	(616)

Note: Our profit after tax for the year from continuing operation was approximately HK\$6.7 million, HK\$9.1 million for the two years ended 31 December 2016, respectively, and there was a loss after tax for the period from continuing operation of approximately HK\$3.8 million for the five months ended 31 May 2017.

CRITICAL ACCOUNTING POLICIES AND ESTIMATE

The financial information of our Group has been prepared in accordance with HKFRSs. The summary of significant accounting policies adopted by our Group are set forth in details in note 4 to the Accountants' Report set out in Appendix I to this prospectus.

Some of the accounting policies involve judgments, estimates and assumptions made by our management. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Further information regarding the significant accounting judgements and estimates made in applying our accounting policies are set forth in note 5 to the Accountants' Report set out in Appendix I to this prospectus.

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SUMMARY OF RESULTS OF OPERATIONS

The following table sets forth our consolidated statements of comprehensive income during the Track Record Period which has been extracted from the Accountants' Report set out in Appendix I to this prospectus.

	For the year ended 31 December		For the five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Continuing operation				
Revenue	85,676	90,955	32,720	28,287
Other income and gains	271	777	244	476
Outsourced project costs	(30,689)	(31,832)	(10,430)	(7,765)
Materials and consumables	(12,767)	(11,075)	(4,358)	(3,774)
Listing expenses	—	(1,887)	(500)	(6,367)
Depreciation and amortisation expenses	(1,999)	(1,610)	(687)	(658)
Employee benefit expenses	(17,607)	(17,485)	(6,986)	(7,656)
Rental expenses	(4,083)	(4,780)	(1,956)	(1,926)
Transportation fee	(7,180)	(7,200)	(2,661)	(2,469)
Other operating expenses	<u>(3,334)</u>	<u>(4,570)</u>	<u>(1,627)</u>	<u>(1,243)</u>
Profit/(loss) before tax from continuing operation	8,288	11,293	3,759	(3,095)
Income tax expense	<u>(1,609)</u>	<u>(2,149)</u>	<u>(585)</u>	<u>(690)</u>
Profit/(loss) after tax for the year/period from continuing operation	6,679	9,144	3,174	(3,785)
Discontinued operation				
Loss for the year/period from discontinued operation	<u>(1,001)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Profit/(loss) after tax for the year/period	<u><u>5,678</u></u>	<u><u>9,144</u></u>	<u><u>3,174</u></u>	<u><u>(3,785)</u></u>

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DESCRIPTIONS OF CERTAIN ITEMS IN CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Revenue from continuing operation

Our revenue from marketing production services is recognised when the services are performed to the satisfaction of the customers as evidenced when the end products created by these services are delivered to the satisfaction of the customers.

Revenue from continuing operation by service categories

During the Track Record Period, our revenue from continuing operation was generated primarily from the provision of our marketing production services. Our revenue from continuing operation increased from approximately HK\$85.7 million for the year ended 31 December 2015 to approximately HK\$91.0 million for the year ended 31 December 2016, representing an increase of approximately 6.2% which was mainly derived from the increase of revenue from printing, packaging and sourcing. Our revenue from continuing operation decreased from approximately HK\$32.7 million for the five months ended 31 May 2016 to approximately HK\$28.3 million for the five months ended 31 May 2017, representing a decrease of approximately 13.5% which was mainly attributable to the decrease in revenue generated from physical media production and management services in printing, packaging and sourcing and cross media development. The following table sets forth the breakdown of our revenue from continuing operation by our service category during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May				
	2015		2016		2016		2017		
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%	
					(unaudited)				
Physical media production and management									
— Printing, packaging and sourcing	76,153	88.9	81,421	89.5	29,490	90.1	25,166	89.0	
— Visual merchandising, retail displays and venue decoration	2,448	2.8	1,175	1.3	674	2.1	736	2.6	
Sub-total	78,601	91.7	82,596	90.8	30,164	92.2	25,902	91.6	
Digital media production	2,153	2.5	3,043	3.4	727	2.2	1,318	4.7	
Cross media development	4,922	5.8	5,316	5.8	1,829	5.6	1,067	3.7	
Total	<u>85,676</u>	<u>100.0</u>	<u>90,955</u>	<u>100.0</u>	<u>32,720</u>	<u>100.0</u>	<u>28,287</u>	<u>100.0</u>	

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(i) *Physical media production and management*

Our physical media production and management services consist of two categories, namely (i) printing, packaging and sourcing; and (ii) visual merchandising, retail displays and venue decoration. We derived our revenue by (i) designing, creating and producing different kinds of printed and packaging materials; (ii) development and maintenance of online marketing and purchasing platforms for physical media inventory and distribution management; and (iii) designing, creating and producing visual merchandising, retail displays and venue decoration for marketing and branding purposes. Our revenue from physical media production and management services increased by approximately HK\$4.0 million from approximately HK\$78.6 million to approximately HK\$82.6 million, which accounted for approximately 91.7% and 90.8% of our revenue from continuing operation for the two years ended 31 December 2016, respectively. Such increase was mainly attributable to (i) the increase in revenue generated from printing projects relating to festive projects of our major customers for the 2017 Chinese New Year, where we designed, created and produced different kinds of printed materials for our clients; and (ii) the increase in revenue generated from development and maintenance of online marketing and purchasing platforms for physical media inventory and distribution management, which was contributed by a series of rebranding projects of a financial institution customer, which was offset by the decrease in revenue from the luxury brands for the year ended 31 December 2016 in the physical media production. Also, the average project amount of physical media production was increased for the year ended 31 December 2016 relating to the rebranding projects above.

Revenue from physical media production and management services decreased by HK\$4.3 million from approximately HK\$30.2 million to approximately HK\$25.9 million, accounted for approximately 92.2% and 91.6% of our revenue from continuing operation for the five months ended 31 May 2016 and 2017, respectively. Such decrease was mainly due to the decrease in the revenue from printing, packaging and sourcing by approximately 14.7% as a result of (i) a one-month festive project of a major customer related to the 2017 Chinese New Year was requested to be completed in December 2016 by reason of the fact that the 2017 Chinese New Year holiday was in January. Therefore, revenue from such project was recognised in late 2016, instead of early 2017; (ii) one major customer reduced production for its printed welcome packs; and (iii) one recurring customer has delayed in placing orders for its packing bags with design, which was slightly offset by the increase in revenue of approximately HK\$62,000 in visual merchandising as a new staff joined our Group in this service category during February 2017.

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(ii) *Digital media production*

Our digital media production services consist of three categories, namely (i) video and photography; (ii) web and mobile; and (iii) social media. We derived our revenue through designing, creating, editing and producing different kinds of marketing and branding contents in the form of videos and photographs and for use in social media platforms and websites, developing websites for the Internet and intranet and providing e-commerce solutions. We have extended our line of business by setting up our social media marketing production team in the fourth quarter of 2016 but no revenue has been derived from such category during the Track Record Period. Our revenue from digital media production services increased by approximately HK\$0.8 million from approximately HK\$2.2 million to approximately HK\$3.0 million, which accounted for approximately 2.5% and 3.4% of our revenue from continuing operation for the two years ended 31 December 2016, respectively. Such increase was mainly attributable to the enhancement of our capacity in video marketing production services. These led to increase in the number of projects by approximately 31.0% and the average contract sum by approximately 7.9% for digital media production for the year ended 31 December 2016.

Revenue from digital media production services increased by approximately HK\$0.6 million from approximately HK\$0.7 million to approximately HK\$1.3 million, which accounted for approximately 2.2% and 4.7% of our revenue from continuing operation for the five months ended 31 May 2016 and 2017, respectively. Such increase was mainly due to the engagement in a new video production project.

(iii) *Cross media development*

Our cross media development services include marketing concept/idea development and working out the art and design details for multiple media formats. We derived our revenue through developing the overall marketing concept/idea of clients' marketing and branding materials and contents, and working out and fine-tuning the art and design details for production. Our revenue from cross media development services increased by approximately HK\$0.4 million from approximately HK\$4.9 million to approximately HK\$5.3 million, which accounted for approximately 5.8% and 5.8% of our revenue from continuing operation for the two years ended 31 December 2016, respectively. Such increase was mainly attributable to the increase in revenue from a financial institution customer by approximately 16.6% for the rebranding projects during the year ended 31 December 2016 and the increase in average project sum by approximately 1.3 times, despite the decrease in number of projects for the year ended 31 December 2016.

Revenue from cross media development services decreased by approximately HK\$0.7 million from approximately HK\$1.8 million to approximately HK\$1.1 million, which accounted for approximately 5.6% and 3.7% of our revenue from continuing operation for the five months ended 31 May 2016 and 2017, respectively. Such decrease was mainly due to the completion of the design of branding materials of a major customer of our Group at the end of 2016, therefore no revenue was generated from this kind of project for this major customer for the five months ended 31 May 2017.

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Revenue from continuing operation by geographical location of clients

The following table sets forth the breakdown of our revenue from continuing operation by geographical location of our clients during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
					(unaudited)			
Hong Kong	71,020	82.9	82,221	90.4	28,823	88.1	25,398	89.8
The PRC	4,910	5.7	2,687	3.0	1,264	3.9	863	3.0
Others (<i>Note</i>)	9,746	11.4	6,047	6.6	2,633	8.0	2,026	7.2
Total	85,676	100.0	90,955	100.0	32,720	100.0	28,287	100.0

Note: Others include Singapore, Japan, Australia, the United Kingdom, the United States, Belgium and other countries which individually contributed less than 5.0% of the revenue from continuing operation for the respective financial year/period.

Revenue from continuing operation by geographical location of our clients is based on the principal place of the clients' operations. Our revenue from continuing operation from clients based in Hong Kong increased by approximately HK\$11.2 million from approximately HK\$71.0 million for the year ended 31 December 2015 to approximately HK\$82.2 million for the year ended 31 December 2016, which was mainly attributable to the increase in revenue from several clients of our Group who are based in Hong Kong, of which the rebranding and festive projects of our Group's two major customers in Hong Kong contributed a major increase in our revenue. Our revenue from continuing operation from clients based in Hong Kong decreased by approximately HK\$3.4 million from approximately HK\$28.8 million for the five months ended 31 May 2016 to approximately HK\$25.4 million for the five months ended 31 May 2017, which was mainly attributable to the decrease in the revenue from the physical media production and management services due to (i) early completion of the festive project for 2017 Chinese New Year as requested by a customer; (ii) reduction of volume of production for a customer's welcome packs; and (iii) delay in placement of order for a customer's packing bags with design.

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Revenue from continuing operation from PRC-based clients decreased by approximately HK\$2.2 million from approximately HK\$4.9 million for the year ended 31 December 2015 to approximately HK\$2.7 million for the year ended 31 December 2016, mainly due to the decrease in number of projects delivered for clients based in the PRC as a result of a reduction in the number of staff in the PRC to focus on the business growth in Hong Kong and to deploy more headcount to support the strategic plans of our business. Our revenue from continuing operation from PRC-based clients decreased by approximately HK\$0.4 million from approximately HK\$1.3 million for the five months ended 31 May 2016 to approximately HK\$0.9 million for the five months ended 31 May 2017, which was mainly attributable to the reduction of volume of production for a customer's welcome packs during the year ended 31 December 2016. Regarding such decline for the five months ended 31 May 2017, our Directors considered that it did not represent the overall performance of our Group because (i) our Group's business scale in the PRC is small as there were one project management talent and one supporting staff employed by the Beijing's office as at the Latest Practicable Date; and (ii) the contribution to our Group's revenue from continuing operation from PRC-based clients is limited, which only accounted for approximately 5.7%, 3.0% and 3.0% of our Group's revenue from continuing operation during the years ended 31 December 2015 and 2016 and the five months ended 31 May 2017, respectively.

Revenue from continuing operation by business sector of clients

The following table sets forth a breakdown of our revenue from continuing operation by business sector of our clients during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(unaudited)							
Financial institution and insurance company	27,192	31.7	31,693	34.9	10,464	32.0	11,483	40.6
Retail	24,390	28.5	27,692	30.4	9,386	28.7	8,901	31.5
Luxury brand	19,568	22.8	15,826	17.4	7,075	21.6	2,481	8.8
Corporate and others <i>(Note)</i>	14,526	17.0	15,744	17.3	5,795	17.7	5,422	19.1
Total	85,676	100.0	90,955	100.0	32,720	100.0	28,287	100.0

Note: These include corporates of other business sectors, non-commercial organisations and other public bodies.

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Revenue from continuing operation from clients of the financial institution and insurance company increased by approximately 16.6% to approximately HK\$31.7 million for the year ended 31 December 2016. Revenue from continuing operation from our retail clients increased by approximately 13.5% to approximately HK\$27.7 million for the year ended 31 December 2016. The increase for both types of clients was mainly due to the increase of revenue from the major customers of our Group in the financial and insurance and retail sectors which was attributable to the production of rebranding materials for two clients from financial and insurance sector and festive projects for a client from retail sector of our Group in 2016. Revenue from continuing operation from luxury brands decreased by 19.1% to approximately HK\$15.8 million for the year ended 31 December 2016, which was mainly due to the decrease of revenue from two of our top ten clients in 2015 as a client in luxury brands has centralised to assign most of its printing related projects to a designated vendor and another client had a project with a decrease in printed quantity of marketing materials in 2016.

Revenue from continuing operation from clients in the financial institution and insurance company increased by approximately 9.7% to approximately HK\$11.5 million for the five months ended 31 May 2017. The increase was mainly due to the rebranding of a financial institution customer who induced additional revenue of our Group in physical media production and management and cross media development in approximately HK\$1.5 million. Revenue from continuing operation from our retail clients decreased by approximately 5.2% to approximately HK\$8.9 million for the five months ended 31 May 2017. The decrease was mainly attributable to the festive project for 2017 Chinese New Year completed in early December 2016 as requested by the customer and therefore the revenue derived from such project was recognised in late 2016 instead of early 2017. Revenue from continuing operation from luxury brand decreased by approximately 64.9% to approximately HK\$2.5 million for the five months ended 31 May 2017, which was mainly due to the fact that (i) a major customer reduced production volume for its printed welcome packs; and (ii) a recurring customer has delayed in placing orders for its packing bags with design.

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Other income and gains

Our other income and gains from continuing operation primarily comprised (i) gain on disposal of property, plant and equipment; (ii) interest income; (iii) administrative service income; (iv) income from sales of paper products and calligraphy stationery; (v) income from provision of art and calligraphy workshop; (vi) net exchange gain; and (vii) sundry income. The gains on disposals of property, plant and equipment were in relation to disposal of old office equipment. Interest income relates to interests from bank deposits. Administrative service income relates to management service income from a related company, and the increase was due to the fact that we only commenced the administrative services since August 2015 but we recorded a full year income for the year ended 31 December 2016. Administrative service income includes employee benefit expenses, rental, infrastructure support recharges for services we rendered to the related company. Income from sales of paper products and calligraphy stationery relates to sales of inventories which acquired from a related company during the five months ended 31 May 2017. Income from provision of art and calligraphy workshop relates to income generated from the workshops organised by the Group. Net exchange gain is mainly generated from the translation of foreign currency denominated bank balance due to the appreciation of US\$ against HK dollars. Sundry income mainly relates to sale of papers for recycling. For the two years ended 31 December 2016 and the five months ended 31 May 2016 and 2017, our other income and gains was approximately HK\$0.3 million, HK\$0.8 million, HK\$0.2 million and HK\$0.5 million, respectively. The following table sets forth a breakdown of our other income and gains during the Track Record Period:

	For the year ended 31 December		For the five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Gain on disposal of property, plant and equipment	12	25	5	—
Interest income	20	24	5	6
Administrative service income	195	697	211	88
Income from sales of paper products and calligraphy stationery	—	—	—	164
Income from provision of art and calligraphy workshop	—	—	—	133
Net exchange gain	—	—	—	80
Sundry income	44	31	23	5
Total	271	777	244	476

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Outsourced project costs

Our outsourced project costs from continuing operation primarily consist of printing costs and other outsourced project costs such as video production costs. For the two years ended 31 December 2016 and the five months ended 31 May 2016 and 2017, our outsourced project costs from continuing operation represented approximately 35.8%, 35.0%, 31.9% and 27.5% of our revenue from continuing operation, respectively.

The following table sets forth a breakdown of our outsourced project costs from continuing operation during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Printing costs	23,709	77.3	26,566	83.5	8,478	81.3	6,598	85.0
Others	<u>6,980</u>	<u>22.7</u>	<u>5,266</u>	<u>16.5</u>	<u>1,952</u>	<u>18.7</u>	<u>1,167</u>	<u>15.0</u>
Total	<u><u>30,689</u></u>	<u><u>100.0</u></u>	<u><u>31,832</u></u>	<u><u>100.0</u></u>	<u><u>10,430</u></u>	<u><u>100.0</u></u>	<u><u>7,765</u></u>	<u><u>100.0</u></u>

For the two years ended 31 December 2016, our outsourced project costs from continuing operation were approximately HK\$30.7 million and HK\$31.8 million, respectively. As the printing, packaging and sourcing contributed the major revenue of our Group during the Track Record Period, printing costs are the largest component of our outsourced project costs from continuing operation, which were approximately HK\$23.7 million and HK\$26.6 million, representing approximately 77.3% and 83.5% of our outsourced project costs from continuing operation for the two years ended 31 December 2016, respectively. The printing costs are expenses paid to subcontractors, who are printing companies providing services for our physical media production and management. The increase in printing costs by approximately 12.1% was directly attributable to the increase in revenue from printing projects under our physical media production and management services and also some printing companies rendered their printing services with paper supply.

For the five months ended 31 May 2016 and 2017, our outsourced project costs from continuing operation were approximately HK\$10.4 million and HK\$7.8 million, respectively. Printing costs accounted for approximately HK\$8.5 million and HK\$6.6 million, representing approximately 81.3% and 85.0% of our outsourced project costs from continuing operation for the five months ended 31 May 2016 and 2017, respectively. The decrease was mainly due to the decrease in revenue from physical media production and management services during the five months ended 31 May 2017.

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Other outsourced project costs mainly include the production costs for sourcing, costs for visual merchandising and retail displays, and production costs for video and photography production. For the two years ended 31 December 2016, other outsourced project costs were approximately HK\$7.0 million and HK\$5.3 million, respectively. Such decrease was mainly attributable to the decrease in revenue from visual merchandising, retail displays and venue decoration projects under our physical media production and management. For the five months ended 31 May 2016 and 2017, other outsourced project costs were approximately HK\$2.0 million and HK\$1.2 million, respectively. Such decrease was mainly attributable to the reduction in production cost as a result of a reduction of revenue from physical media production and management during the period.

Materials and consumables

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Paper supply	11,800	92.4	9,678	87.4	4,013	92.1	2,999	79.5
Others	967	7.6	1,397	12.6	345	7.9	775	20.5
Total	12,767	100.0	11,075	100.0	4,358	100.0	3,774	100.0

Materials and consumables from continuing operation are expenses on papers and other materials sourced by us for our marketing production. For the two years ended 31 December 2016, our materials and consumables expenses from continuing operation amounted to approximately HK\$12.8 million and HK\$11.1 million, respectively, representing approximately 14.9% and 12.2% of our revenue from continuing operation, respectively. Such decrease was mainly due to the fact that, instead of sourcing paper by ourselves, we have increasingly engaged some printing companies to render their printing services with their own paper supply, the costs of which were recorded as printing costs under our outsourced project costs in 2016. For the five months ended 31 May 2016 and 2017, our materials and consumables expenses from continuing operation amounted to approximately HK\$4.4 million and HK\$3.8 million, respectively, representing approximately 13.3% and 13.3% of our revenue from continuing operation, respectively. Such decrease was mainly due to the decrease in our paper supply costs which was in line with the decrease in revenue from the physical media production and management services.

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The following table sets forth the breakdown of our variable costs (including outsourced project costs, materials and consumables and transportation fee) from continuing operation by our service categories during the Track Record Period:

	For the year ended 31 December		For the five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Physical media production and management	47,764	47,667	16,943	13,304
Digital media production	325	928	125	596
Cross media development	<u>2,547</u>	<u>1,512</u>	<u>381</u>	<u>108</u>
Total variable costs	<u><u>50,636</u></u>	<u><u>50,107</u></u>	<u><u>17,449</u></u>	<u><u>14,008</u></u>

The following table sets forth the breakdown of our variable contribution margin by our service categories during the Track Record Period, which is calculated based on revenue by our service categories less respective variable costs:

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	Variable contribution margin/ revenue %	HK\$'000	Variable contribution margin/ revenue %	HK\$'000 (unaudited)	Variable contribution margin/ revenue %	HK\$'000	Variable contribution margin/ revenue %
Physical media production and management	30,837	39.2	34,929	42.3	13,221	43.8	12,598	48.6
Digital media production	1,828	84.9	2,115	69.5	602	82.8	722	54.8
Cross media development	<u>2,375</u>	48.3	<u>3,804</u>	71.6	<u>1,448</u>	79.2	<u>959</u>	89.9
Total variable contribution margin	<u><u>35,040</u></u>	40.9	<u><u>40,848</u></u>	44.9	<u><u>15,271</u></u>	46.7	<u><u>14,279</u></u>	50.5

Note: The above table is for illustrative purpose and is a non-HKFRSs measure.

For the years ended 31 December 2015 and 2016 and the five months ended 31 May 2016 and 2017, our Group recorded a percentage of variable contribution margin over revenue of (i) physical media production and management service of approximately 39.2%, 42.3%, 43.8% and 48.6%; (ii) digital media production service of approximately 84.9%, 69.5%, 82.8% and 54.8%; and (iii) cross media development service of approximately 48.3%, 71.6%, 79.2% and 89.9%, respectively. The decrease in percentage of variable contribution margin over revenue of digital media production service for the year ended 31 December 2016 and the five months ended 31 May 2017 as compared to the corresponding period in 2016 was mainly due to the increased outsourced project cost in the use of digital media production service. The increase in percentage of variable contribution margin

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over revenue of cross media production service was mainly due to the decrease in its outsourced project cost in use of cross media development service from the year ended 31 December 2015 to the five months ended 31 May 2017. Our Group recorded a percentage of total variable contribution margin over revenue of approximately 40.9%, 44.9%, 46.7% and 50.5% for the years ended 31 December 2015 and 2016 and the five months ended 31 May 2016 and 2017, respectively.

Listing expenses

Our listing expenses from continuing operation consist of fees paid to various professionals for audit, financial advisory, legal and other professional services in preparation for the Listing. The listing expenses of approximately HK\$1.9 million, HK\$0.5 million and HK\$6.4 million had been charged to our consolidated statements of comprehensive income for the year ended 31 December 2016 and the five months ended 31 May 2016 and 2017. No such expenses had been incurred for the year ended 31 December 2015.

Depreciation and amortisation expenses

Depreciation and amortisation expenses from continuing operation relate mainly to depreciation of our leasehold improvements, furniture, fixture and office equipment and amortisation of intangible assets which mainly include software for business operation, self-developed project management information system known as “Icicle Hub” and online marketing and purchasing platforms. We recorded depreciation and amortisation expenses from continuing operation of approximately HK\$2.0 million and HK\$1.6 million for the two years ended 31 December 2016, respectively, representing approximately 2.3% and 1.8% of the revenue from continuing operation of our Group, respectively. The decrease in depreciation and amortisation expenses from continuing operation for the year ended 31 December 2016 as compared with that of the year ended 31 December 2015 was mainly due to the fact that some property, plant and equipment have been fully depreciated by the end of 2015. We recorded a stable depreciation and amortisation expenses from continuing operation of approximately HK\$0.7 million and HK\$0.7 million for the five months ended 31 May 2016 and 2017, respectively, representing approximately 2.1% and 2.3% of the revenue from continuing operation of our Group, respectively.

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Employee benefit expenses

Employee benefit expenses from continuing operation primarily consist of salaries, allowances and benefits in kind, discretionary bonus and retirement benefit scheme contributions. The table below sets forth the details of our employee benefit expenses from continuing operation (including Directors' remuneration) during the Track Record Period:

	For the year ended 31 December		For the five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Salaries, allowances and benefits in kind	15,921	15,471	6,348	6,978
Discretionary bonus	773	1,302	343	373
Retirement benefit scheme contributions	913	712	295	305
Total	17,607	17,485	6,986	7,656

For the two years ended 31 December 2016, the employee benefit expenses from continuing operation decreased from approximately HK\$17.6 million to approximately HK\$17.5 million, which accounted for approximately 20.6% and 19.2% of the revenue from continuing operation of our Group, respectively. Such a slight decrease was mainly attributable to (i) the closure of our office in Europe in March 2016; and (ii) the streamlining of our PRC operations in the year ended 31 December 2016, as we focused on enhancing our digital media production services in Hong Kong during the year ended 31 December 2016, which was partially offset by (i) the increase in salaries and benefits for our staff in Hong Kong office due to the annual salary increment and hiring of experienced staff in digital media production; and (ii) the increase in incentive bonus due to a better financial performance of our Group during the year ended 31 December 2016 as compared to the last financial year.

For the five months ended 31 May 2016 and 2017, the employee benefit expenses from continuing operation increased from approximately HK\$7.0 million to approximately HK\$7.7 million, which accounted for approximately 21.4% and 27.1% of the revenue from continuing operation of our Group, respectively. Such increase was mainly attributable to the annual salary increment and hiring of an additional staff in digital media production during the second half of 2016 for social media contents.

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Rental expenses

	For the year ended 31 December				For the five months ended 31 May			
	2015		2016		2016		2017	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Office premises and warehouse	2,664	65.2	3,142	65.7	1,296	66.3	1,295	67.2
Photocopiers/printers	1,419	34.8	1,638	34.3	660	33.7	631	32.8
Total	<u>4,083</u>	<u>100.0</u>	<u>4,780</u>	<u>100.0</u>	<u>1,956</u>	<u>100.0</u>	<u>1,926</u>	<u>100.0</u>

Rental expenses from continuing operation primarily represent the rental expenses paid for our office premises and warehouse in Hong Kong and the rents for the printing machines for our confidential data printing services. For the two years ended 31 December 2016, the rental expenses from continuing operation of our Group increased from approximately HK\$4.1 million to approximately HK\$4.8 million, which accounted for approximately 4.8% and 5.3% of the revenue from continuing operation of our Group, respectively. The increase in rental expenses from continuing operation for the year ended 31 December 2016 was principally due to the increase in the monthly rental in respect of our Hong Kong office premises under the new lease entered into in April 2015 and addition of printing machines were newly leased in the year ended 31 December 2016.

For the five months ended 31 May 2016 and 2017, the rental expenses from continuing operation of our Group slightly decreased from approximately HK\$2.0 million to approximately HK\$1.9 million, which accounted for approximately 6.0% and 6.8% of the revenue from continuing operation of our Group, respectively. The decrease was mainly attributable to the decrease in rents for office equipments such as photocopiers and printers due to the reduction in printing volume during the five months ended 31 May 2017.

Transportation fee

Transportation fee from continuing operation consists of fees paid to logistic service providers for (i) delivery of products created by us to our clients; and (ii) postage incurred in respect of our direct mailing services. For the two years ended 31 December 2016, our transportation fee from continuing operation remained relatively stable and amounted to approximately HK\$7.2 million and HK\$7.2 million, respectively, representing approximately 8.4% and 7.9% of our revenue from continuing operation, respectively. For the five months ended 31 May 2016 and 2017, our transportation fee from continuing operation remained relatively stable and amounted to approximately HK\$2.7 million and HK\$2.5 million, respectively, representing approximately 8.1% and 8.7% of our revenue from continuing operation, respectively.

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Other operating expenses

For the two years ended 31 December 2016, the five months ended 31 May 2016 and 2017, our other operating expenses from continuing operation represented approximately 3.9%, 5.0%, 5.0% and 4.4% of our revenue from continuing operation, respectively.

The following table sets forth a breakdown of our other operating expenses during the Track Record Period:

	For the year ended 31 December				For the five months ended 31 May				
	2015		2016		2016		2017		
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%	
					(unaudited)				
Auditor's remuneration	130	3.9	130	2.8	—	0.0	—	0.0	
Consultancy fee	627	18.8	1,055	23.1	503	30.9	302	24.3	
Net exchange loss	63	1.9	630	13.8	16	1.0	—	0.0	
Utilities and office expenses	1,139	34.2	1,169	25.6	499	30.7	405	32.6	
Others	<u>1,375</u>	<u>41.2</u>	<u>1,586</u>	<u>34.7</u>	<u>609</u>	<u>37.4</u>	<u>536</u>	<u>43.1</u>	
Total:	<u><u>3,334</u></u>	<u><u>100.0</u></u>	<u><u>4,570</u></u>	<u><u>100.0</u></u>	<u><u>1,627</u></u>	<u><u>100.0</u></u>	<u><u>1,243</u></u>	<u><u>100.0</u></u>	

For the two years ended 31 December 2016, our other operating expenses from continuing operation were approximately HK\$3.3 million and HK\$4.6 million, respectively. Auditor's remuneration, consultancy fee, net exchange loss and utilities and office expenses were the major cost components. For the two years ended 31 December 2016, our consultancy fee from continuing operation was approximately HK\$0.6 million and HK\$1.1 million, respectively, representing approximately 18.8% and 23.1% of our other operating expenses from continuing operation, respectively, while our net exchange loss were approximately HK\$63,000 and HK\$0.6 million from continuing operation, respectively, representing approximately 1.9% and 13.8% of our other operating expenses, respectively. Consultancy fee from continuing operation is mainly the consultancy fee we pay to a subcontractor for providing manpower resources for monitoring, upgrading and enhancing our project management information system from time to time and the outsourcing of other hardware services. Utilities and office expenses include building management fee, cleaning expenses, electricity and water fees and insurance for staff. There was approximately HK\$0.3 million and HK\$0.4 million software licence and services fees for other costs for the two years ended 31 December 2016, respectively.

For the five months ended 31 May 2016 and 2017, our other operating expenses from continuing operation were approximately HK\$1.6 million and HK\$1.2 million, respectively. Our consultancy fee from continuing operation was approximately HK\$0.5 million and HK\$0.3 million, representing approximately 30.9% and 24.3% of our other operating expenses from continuing operation for the five months ended 31 May 2016 and 2017, respectively. The decrease in consultancy fee from continuing operation was mainly due to a decrease in manpower who provides

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computer programming, maintenance and technical supports in Manila from four to three for the five months ended 31 May 2016 and 2017, respectively. Utilities and office expenses accounted for approximately HK\$0.5 million and HK\$0.4 million for the five months ended 31 May 2016 and 2017, respectively, representing approximately 30.7% and 32.6% of our other operating expenses from continuing operation respectively.

Income tax expense

The following table sets forth the components of our income tax expense during the Track Record Period:

	For the year ended 31 December		For the five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (Unaudited)	HK\$'000
Hong Kong Profit Tax				
— current tax for the year/period	1,553	2,427	783	568
— over-provision in prior years	(40)	(20)	(20)	—
Other jurisdictions				
— current tax for the year/period	98	20	—	29
— under-provision in prior year	—	—	—	93
Deferred tax	(2)	(278)	(178)	—
Income tax expense	1,609	2,149	585	690

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of our Group are domiciled and operate.

Our Group is not subject to any income tax in the Cayman Islands and the BVI pursuant to the rules and regulations of those jurisdictions. For our operation based in Hong Kong, we were subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits derived from Hong Kong during the Track Record Period.

For our operation in the PRC, our subsidiary Icicle Beijing was subject to enterprise income tax of the PRC at a statutory rate of 25% on the estimated assessable profits during the Track Record Period. In addition, withholding tax is imposed on dividends declared in respect of profits earned by our operating subsidiary in the PRC under the Enterprise Income Tax Law of the PRC. For the two years ended 31 December 2016, our Group was not subject to withholding tax as Icicle Beijing did not declare any dividend.

Our effective tax rates were approximately 19.4%, 19.0% and 15.6% for the two years ended 31 December 2016 and the five months ended 31 May 2016, respectively. Our effective tax rate for the five months ended 31 May 2017 is not applicable as our Group recorded a loss before tax from

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continuing operation due to the non-tax deductible listing expense. Since the listing expense incurred for the year ended 31 December 2016 and the five months ended 31 May 2017 were non-tax deductible, after adjusting for the net profit by excluding the one-off listing expenses, our effective tax rates were approximately 19.4%, 16.3%, 13.7% and 21.1% for the two years ended 31 December 2016 and the five months ended 31 May 2016 and 2017, respectively. The effective tax rate after excluding the listing expenses is higher than the Hong Kong profit tax rate of 16.5% because Icicle Beijing is subject to the PRC Enterprise Income Tax with tax rate of 25% and certain expenses are non-deductible in nature under the relevant tax rules.

Our Directors confirmed that we had made all required tax filings in all relevant jurisdictions and paid all tax liabilities that became due, and we were not subject to any dispute or potential dispute with any tax authorities during the Track Record Period and up to the Latest Practicable Date.

Selected financial ratios

	For the year ended 31 December		For the five months ended 31 May
	2015	2016	2017
Profitability ratios:			
Growth/(decline) from continuing operation			
Revenue growth/(decline)	N/A	6.2%	(13.5)%
Net profit growth ^(Note 1)	N/A	36.9%	N/A
Profit margins from continuing operation			
Net profit margin before income tax ^(Note 2)	9.7%	12.4%	N/A
Net profit margin ^(Note 3)	7.8%	10.1%	N/A

Notes:

1. For the five months ended 31 May 2017, we recorded a loss from continuing operation of approximately HK\$3.8 million, which is due to the listing expenses incurred during the five months ended 31 May 2017. For illustrative purpose, the net profit (excluding listing expenses) for the five months ended 31 May 2017 as compared to the five months ended 31 May 2016 declined by approximately 29.7%.
2. Net profit margin before income tax is calculated by profit before income tax from continuing operation divided by the revenue from continuing operation for the respective year/period and multiplied by 100%. For the five months ended 31 May 2017, net loss of our Group was due to the incurrence of non-recurring listing expenses. For illustrative purpose, our net profit margin before income tax (excluding listing expenses) for the two years ended 31 December 2016 and the five months ended 31 May 2017 was approximately 9.7%, 14.5% and 11.6%, respectively.

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3. Net profit margin is calculated by profit after tax for the year from continuing operation divided by the revenue from continuing operation for the respective year/period and multiplied by 100%. For the five months ended 31 May 2017, our net loss was due to the incurrence of non-recurring listing expenses. For illustrative purpose, our net profit margin (excluding listing expenses) for the two years ended 31 December 2016 and the five months ended 31 May 2017 was approximately 7.8%, 12.1% and 9.1%, respectively.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

Year to year comparison of results of operations

Year ended 31 December 2015 compared to year ended 31 December 2016

Revenue from continuing operation

Revenue from continuing operation increased by approximately 6.2% from approximately HK\$85.7 million for the year ended 31 December 2015 to approximately HK\$91.0 million for the year ended 31 December 2016. The increase was primarily attributable to (i) the increase in revenue generated from all of our three service categories, being physical media production and management, digital media production and cross media development; and (ii) the increase in average project sum by approximately 22.2%, which was mainly due to the increase in the number of projects with a range of project sum from HK\$10,001 to HK\$500,000 engaged by our Group for the year ended 31 December 2016.

Revenue from the physical media production and management services increased by approximately 5.1% from approximately HK\$78.6 million for the year ended 31 December 2015 to approximately HK\$82.6 million for the year ended 31 December 2016, which was mainly attributable to (i) the increase in revenue generated from printing projects, where we designed, created and produced different kinds of printed materials for our clients. Such increase was mainly contributed by the increase in revenue from the customers of financial institution and retail sector by approximately 14.0% and 14.2%, respectively, which was offset by the decrease in revenue from the luxury brands for the year ended 31 December 2016 in the physical media production and management services. Also, the average project amount of physical media production and management services was increased by approximately 13.0% for the year ended 31 December 2016. Such increase was attributed to (i) several festive projects with high project sum during the period and (ii) the increase in revenue generated from development and maintenance of online marketing and purchasing platforms for physical media inventory and distribution management.

Revenue from the digital media production services increased by approximately 41.3% from approximately HK\$2.2 million for the year ended 31 December 2015 to approximately HK\$3.0 million for the year ended 31 December 2016, which was mainly attributable to the increase in video marketing production projects as a result of the enhancement of our capability in video marketing production services. There was also an increase in the number of projects by approximately 31.0% and the average contract sum by approximately 7.9% for digital media production services for the year ended 31 December 2016.

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Revenue from the cross media development services increased by approximately 8.0% from approximately HK\$4.9 million for the year ended 31 December 2015 to approximately HK\$5.3 million for the year ended 31 December 2016, which was mainly attributable to the increase in the average project sum by approximately 1.3 times, which was offset by the decrease in the number of projects for the year ended 31 December 2016.

Other income and gains

Our other income and gains from continuing operation increased by approximately 1.9 times from approximately HK\$0.3 million for the year ended 31 December 2015 to approximately HK\$0.8 million for the year ended 31 December 2016. This increase was mainly attributable to the increase in administrative service income from a related company as we only commenced the administrative services since October 2015 but we recorded a full year income for the year ended 31 December 2016. For the administrative service, please refer to the paragraph headed “Connected transactions — Exempt connected transactions — Provision of printing and administrative services” in this prospectus.

Outsourced project costs

Our outsourced project costs from continuing operation increased by approximately 3.7% from approximately HK\$30.7 million for the year ended 31 December 2015 to approximately HK\$31.8 million for the year ended 31 December 2016. This slight increase was mainly attributable to the increase in printing costs paid to subcontracted printing companies, being in line with the increase in revenue from printing projects under our physical media production and management services, which was slightly offset by the decrease in other outsourced project costs, resulting from the decrease in revenue from visual merchandising, retail displays and venue decoration projects under our physical media production and management services.

Materials and consumables

Our materials and consumables from continuing operation decreased by approximately 13.3% from approximately HK\$12.8 million for the year ended 31 December 2015 to approximately HK\$11.1 million for the year ended 31 December 2016. Such decrease was mainly due to the decrease in paper supply costs from approximately HK\$11.8 million for the year ended 31 December 2015 to approximately HK\$9.7 million for the year ended 31 December 2016, as we commenced to use some printing companies to render their printing services with their own paper supply, the costs of which were recorded as printing costs under our outsourced project costs.

Listing expenses

For the year ended 31 December 2016, the listing expenses of approximately HK\$1.9 million had been charged to our consolidated statements of comprehensive income and no listing expense was incurred for the year ended 31 December 2015.

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Depreciation and amortisation expenses

Our depreciation and amortisation expenses from continuing operation decreased by approximately 19.5% from approximately HK\$2.0 million for the year ended 31 December 2015 to approximately HK\$1.6 million for the year ended 31 December 2016. The decrease was mainly attributable to some property, plant and equipment were fully depreciated by the end of 2015.

Employee benefit expenses

Our employee benefit expenses from continuing operation slightly decreased by approximately 0.7% from approximately HK\$17.6 million for the year ended 31 December 2015 to approximately HK\$17.5 million for the year ended 31 December 2016. The slight decrease was mainly attributable to (i) the closure of our office in Europe in March 2016; and (ii) the streamlining of our PRC operations in the year ended 31 December 2016 as we focused on enhancing our digital media production services in Hong Kong during the year ended 31 December 2016, which was partially offset by (i) the increase in salaries and benefits for our staff in Hong Kong office; and (ii) the increase in incentive bonus pursuant to our Group's better financial performance during the year ended 31 December 2016 as compared to the last financial year.

Rental expenses

Our rental expenses from continuing operation increased by approximately 17.1% from approximately HK\$4.1 million for the year ended 31 December 2015 to approximately HK\$4.8 million for the year ended 31 December 2016. The increase in rental expenses for the year ended 31 December 2016 was principally due to the increase in monthly rental in respect of our Hong Kong office premises under the new lease entered into in April 2015 and addition of printing machines newly leased in the year ended 31 December 2016.

Transportation fee

Our transportation fee from continuing operation remained relatively stable at approximately HK\$7.2 million for each of the two years ended 31 December 2016.

Other operating expenses

Our other operating expenses from continuing operation increased by approximately 37.1% from approximately HK\$3.3 million for the year ended 31 December 2015 to approximately HK\$4.6 million for the year ended 31 December 2016. This increase was mainly attributable to (i) the increase in expenses on consultancy fees due to upgrading works provided by a subcontractor for our project management information system for the year ended 31 December 2016; and (ii) the increase in net exchange loss amounted to approximately HK\$0.6 million mainly due to the depreciation of the British Pound in our bank account during the Track Record Period.

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Income tax expense

Our income tax expense from continuing operation increased by approximately 33.6% from approximately HK\$1.6 million for the year ended 31 December 2015 to approximately HK\$2.1 million for the year ended 31 December 2016 due to the increase in profit during the year.

For the two years ended 31 December 2016, the effective tax rates of our Group remained stable at approximately 19.4% and 19.0%, respectively. Our Group is subject to profits tax in Hong Kong at 16.5% and the statutory enterprise income tax in the PRC at 25% on the estimated assessable profits. The effective tax rate of our Group for the year ended 31 December 2016 was slightly lower due to the reversal of deferred tax for the year ended 31 December 2016.

Loss on discontinued operation

For the year ended 31 December 2015, we recorded a loss from a discontinued operation of approximately HK\$1.0 million carried through our 73.8% owned subsidiary in Taiwan, Win Win Media, which had already been disposed of in October 2015. Win Win Media is a company principally engaged in web and mobile media production. For details of the disposal of our interests in Win Win Media, please refer to the paragraph headed “History, Reorganisation and corporate structure — Disposal of interests in a subsidiary” in this prospectus.

Other than Win Win Media, our Group did not have operation in Taiwan. In accordance with HKFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), a discontinued operation is a component of an entity that has been disposed of which represents a separate major line of geographical area of operations. As the Taiwan business which was considered as a separate major line of geographical area of operations was disposed of and ceased to be a subsidiary in 2015, we classified Win Win Media as discontinued operation.

Profit after tax for the year and net profit margin from continuing operation

Profit after tax for the year from continuing operation increased by approximately 36.9% from approximately HK\$6.7 million for the year ended 31 December 2015 to approximately HK\$9.1 million for the year ended 31 December 2016. It was mainly attributable to (i) the increase in revenue from continuing operation of our Group by approximately HK\$5.3 million for the year ended 31 December 2016, which was driven from all three service categories; (ii) the decrease in other outsourced project cost due to the decrease in revenue for visual merchandising, retail displays and venue decoration projects; (iii) the decrease in paper supply cost by approximately HK\$2.1 million; and (iv) the stable employee benefit expenses, which was offset by the increase in the listing expenses by approximately HK\$1.9 million.

Due to the fact that the revenue from continuing operation increased by approximately 6.2% for the year ended 31 December 2016, whilst the aggregate of outsourced project costs and materials and consumables, depreciation and amortisation expenses and employee benefit expenses decreased by approximately 1.3%, 19.5% and 0.7%, respectively, offsetting by the increase in

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listing expenses and other operating expense, our net profit margin from continuing operation increased from approximately 7.8% for the year ended 31 December 2015 to 10.1% for the year ended 31 December 2016.

Period to period comparison of results of operations

Five months ended 31 May 2016 compared to five months ended 31 May 2017

Revenue from continuing operation

Revenue from continuing operation decreased by approximately 13.5% from approximately HK\$32.7 million for the five months ended 31 May 2016 to approximately HK\$28.3 million for the five months ended 31 May 2017. The decrease was primarily attributable to the decrease in the revenue from printing, packaging and sourcing by approximately HK\$4.3 million and cross media development by approximately HK\$0.8 million.

Revenue from the physical media production and management services decreased by approximately 14.1% from approximately HK\$30.2 million for the five months ended 31 May 2016 to approximately HK\$25.9 million for the five months ended 31 May 2017, which was mainly attributable to (i) a festive project of a major customer was completed and the respective revenue was recognised in the year ended 31 December 2016; (ii) another major customer has reduced its production volume of printed welcome packs; and (iii) one recurring customer has delayed in placing orders for its packing bags with design during the five months ended 31 May 2017.

Revenue from the digital media production services increased by approximately 81.3% from approximately HK\$0.7 million for the five months ended 31 May 2016 to approximately HK\$1.3 million for the five months ended 31 May 2017, which was mainly attributable to the engagement in new video production projects.

Revenue from the cross media development services decreased by approximately 41.7% from approximately HK\$1.8 million for the five months ended 31 May 2016 to approximately HK\$1.1 million for the five months ended 31 May 2017, which was mainly attributable to the completion of the design of branding materials of a major customer of our Group at the end of 2016 and no revenue was generated from this kind of projects for this major customer for the five months ended 31 May 2017.

Comparison to the overall trend of the marketing industry

Our Directors considered that the overall decline in our Group's revenue from continuing operation for the five months ended 31 May 2017 was temporary and the period to period comparison in short term may not be representative to the entire financial year's results due to the fact that (i) the demand for our Group's services is subject to seasonal fluctuations and hence the timing of each year's festive periods will result in early or delayed commencement and completion of the relevant recurring projects, which will in turn temporarily affect our Group's financial

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performance; and (ii) our Group's business is on a project-by-project basis and duration for most of the projects are within one month. Any early or delay in order placements on recurring projects will also affect our Group's short term results. Therefore, period-to-period comparison in a longer term is considered to be more accurate in anticipating the entire financial year's result. Based on the signed contracts on hand with agreed delivery dates from 1 January to 31 August 2017, the unaudited revenue of our Group from continuing operation for the eight months ended 31 August 2017 is estimated to be approximately HK\$53.6 million, representing approximately 1.1% growth, as compared to approximately HK\$53.0 million in the corresponding period in the year of 2016. The growth was mainly due to an approximately 69.1% growth in revenue from continuing operation of digital media production services during the eight months ended 31 August 2017 as compared to the corresponding period in the year of 2016, which was resulted from an increasing demand of our Group's digital media production services from existing customers. The above represents our management's analysis on our results of operations for the eight months ended 31 August 2017. Our Directors are responsible for the preparation and fair presentation of the unaudited condensed consolidated financial statements of our Group for the eight months ended 31 August 2017 in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the HKICPA. Our condensed consolidated financial statements for the eight months ended 31 August 2017 are unaudited but have been reviewed by our reporting accountants, Moore Stephens CPA Limited, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

In view of the above, we considered that the five months' period is too short for a comparison of our Group's result to the overall trend of the marketing industry. Furthermore, since more than 80% of our Group's revenue was derived from Hong Kong during the Track Record Period, we compared our Group's result during the two years ended 31 December 2016 to the corresponding period of the marketing industry and noted that (i) the 5.1% growth in our Group's revenue from physical media production and management services was in line with the 6.8% growth in the corporate marketing expenditure in physical marketing activities in Hong Kong; and (ii) the 41.3% growth in our Group's revenue from digital media production services outperformed the industry with 20.5% growth in the corporate marketing expenditure in digital marketing activities in Hong Kong. Therefore, our Directors considered our Group's performance during the two years ended 31 December 2016 were in line with or better than the marketing industry trend. Further details of the overall trend of the marketing industry in Hong Kong and the PRC are set out in the paragraph headed "Industry overview — Total marketing expenditure in Hong Kong and the PRC".

We further referred to the section headed "Industry Overview" in this prospectus that, among the increase in total marketing expenditure in Hong Kong and the PRC at a CAGR of approximately 7.9% and 16.7%, respectively, from 2017 to 2020, the increase of digital marketing activities is the main driver, expenditure on which is expected to grow at a CAGR of approximately 20.5% and 25.8% in Hong Kong and the PRC for the same period. Our Directors considered that our Group's future expansion plan is also in line with such industry trend, where our Group plans to (i) establish data management team; (ii) develop social media offering to cater for Chinese

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brands; and (iii) offer original content production services. Further details of our Group's future plan on digital media production services are set out in the paragraph headed "Business — Business strategies" in this prospectus.

Other income and gains

Our other income and gains from continuing operation increased by approximately 95.1% from approximately HK\$0.2 million for the five months ended 31 May 2016 to approximately HK\$0.5 million for the five months ended 31 May 2017. Such increase was mainly attributable to the increase of income from sales of paper products and calligraphy stationery and income from the provision of art and calligraphy workshop.

Outsourced project costs

Our outsourced project costs from continuing operation decreased by approximately 25.6% from approximately HK\$10.4 million for the five months ended 31 May 2016 to approximately HK\$7.8 million for the five months ended 31 May 2017. Such decrease was mainly attributable to the decrease in the revenue of physical media production and management services caused the reduction in outsourced printing costs during the five months ended 31 May 2017.

Material and consumables

Our materials and consumables from continuing operation decreased by approximately 13.4% from approximately HK\$4.4 million for the five months ended 31 May 2016 to approximately HK\$3.8 million for the five months ended 31 May 2017. Such decrease was mainly due to the decrease in the paper supply costs from approximately HK\$4.0 million for the five months ended 31 May 2016 to approximately HK\$3.0 million for the five months ended 31 May 2017, which was mainly due to the decrease in the revenue from physical media production and management services.

Listing expenses

Our listing expenses increased by approximately 11.7 times from approximately HK\$0.5 million for the five months ended 31 May 2016 to approximately HK\$6.4 million for the five months ended 31 May 2017. The increase was mainly due to the preparation for Listing which was taken place during the second half of 2016 and early 2017.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses from continuing operation remained stable at approximately HK\$0.7 million and HK\$0.7 million for the five months ended 31 May 2016 and 2017, respectively.

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Employee benefit expenses

Our employee benefit expenses from continuing operation increased by approximately 9.6% from approximately HK\$7.0 million for the five months ended 31 May 2016 to approximately HK\$7.7 million for the five months ended 31 May 2017. The increase was mainly attributable to the annual salary increment and the recruitment of an additional staff in digital media production for social media contents.

Rental expenses

Our rental expenses from continuing operation decreased by approximately 1.5% from approximately HK\$2.0 million for the five months ended 31 May 2016 to approximately HK\$1.9 million for the five months ended 31 May 2017. The decrease in rental expenses was mainly due to the decrease in the contingent rents for office equipments as a result of the reduction in printing volume during the five months ended 31 May 2017.

Transportation fee

Our transportation fee from continuing operation decreased by approximately HK\$0.2 million from approximately HK\$2.7 million for the five months ended 31 May 2016 to approximately HK\$2.5 million for the five months ended 31 May 2017. The decrease was mainly due to the decrease in the delivery of physical products during the five months ended 31 May 2017.

Other operating expenses

Our other operating expenses from continuing operation decreased by approximately 23.6% from approximately HK\$1.6 million for the five months ended 31 May 2016 to approximately HK\$1.2 million for the five months ended 31 May 2017. This decrease was mainly attributable to the reduction in the recruitment agency fee and consultancy fee during the period.

Income tax expense

Our income tax expense from continuing operation increased by approximately 17.9% from approximately HK\$0.6 million for the five months ended 31 May 2016 to approximately HK\$0.7 million for the five months ended 31 May 2017. Such increase was mainly due to the recognition of under-provision of tax expense for PRC in prior year.

For the five months ended 31 May 2016 and 2017, the effective tax rates of our Group based on the profit before tax and listing expenses were approximately 13.7% and 21.1%, respectively. The effective tax rate for the five months ended 31 May 2016 was lower than the Hong Kong profit tax rate of 16.5% because of the unrecognised temporary differences brought forward from prior years. The effective tax rate for the five months ended 31 May 2017 was higher than the Hong Kong profit tax rate of 16.5% because Icicle Beijing is subject to the PRC Enterprise Income Tax with tax rate of 25% and certain expenses are non-deductible in nature under the relevant tax rules.

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Profit/(loss) after tax for the period and net profit margin before listing expenses from continuing operation

Our Group recorded a net loss after tax for the five months ended 31 May 2017 in the amount of approximately HK\$3.8 million because of the incurrence of listing expenses of approximately HK\$6.4 million in comparison with net profit after tax for the five months ended 31 May 2016 of approximately HK\$3.2 million. Our Group recorded a net profit after tax (excluding listing expenses) from continuing operation of approximately HK\$2.6 million for the five months ended 31 May 2017 in comparison with net profit after tax from continuing operation of approximately HK\$3.7 million for the five months ended 31 May 2016. It represents the net profit margin before listing expenses of our Group for the five months ended 31 May 2016 and 2017 of approximately 11.2% and 9.1%, respectively. Loss after tax from continuing operation for the five months ended 31 May 2017 amounted to approximately HK\$3.8 million as compared to a net profit after tax from continuing operation of approximately HK\$3.2 million for the five months ended 31 May 2016. It was mainly attributable to (i) the incurrence of listing expenses of approximately HK\$6.4 million; (ii) the decrease in revenue from printing, packaging and sourcing and cross media development for the five months ended 31 May 2017 comparing to the five months ended 31 May 2016; and (iii) the increase in employee benefit expenses as a result of annual salary increment and hiring of an additional new staff for social media contents, which was offset by the decrease in outsourced project cost. Our Group recorded net profit after tax (excluding listing expenses) from continuing operation of approximately HK\$2.6 million for the five months ended 31 May 2017 in comparison with net profit after tax from continuing operation of approximately HK\$3.7 million for the five months ended 31 May 2016. The decrease in the net profit margin before listing expenses was mainly due to an increase in employee benefit expenses as a result of annual salary increment and hiring of an additional new staff for social media contents, which was offset by the decrease in outsourced project cost.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we principally financed our working capital and other liquidity requirements through the cash flows from operations.

Our primary uses of cash have been, and are expected to continue to be, operational costs and capital expenditure for business expansion. We currently expect that there will not be any material change in the sources and uses of cash of our Group, except for the additional funds from proceeds of the Share Offer for implementing our future plans as detailed in the section headed “Future plans and use of proceeds” in this prospectus.

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Cash flows

The following table sets forth a summary of our consolidated statements of cash flows during the Track Record Period:

	For the year ended 31 December		For the five months ended 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Net cash generated from/(used in) operating activities	10,982	15,396	(9,182)
Net cash (used in)/generated from investing activities	(3,113)	778	(157)
Net cash used in financing activities	—	(5,655)	(3,008)
Net increase/(decrease) in cash and cash equivalents	7,869	10,519	(12,347)
Cash and cash equivalents at the beginning of the year/period	19,365	26,776	36,678
Effect of foreign exchange rate changes	(458)	(617)	131
Cash and cash equivalents at the end of the year/period	26,776	36,678	24,462

As at 31 December 2015 and 2016 and 31 May 2017, we had cash and cash equivalent of approximately HK\$26.8 million, HK\$36.7 million and HK\$24.5 million, respectively. The cash and cash equivalent increased from approximately HK\$26.8 million for the year ended 31 December 2015 to approximately HK\$36.7 million for the year 31 December 2016 which was mainly due to an increase in the net cash generated from operating activities. The cash and cash equivalent decreased from approximately HK\$36.7 million for the year ended 31 December 2016 to approximately HK\$24.5 million for the five months ended 31 May 2017 which was mainly due to (i) the net cash used in operating activities as our Group has incurred a loss from continuing operation mainly due to the one-off listing expense; and (ii) dividends of approximately HK\$3.0 million had been paid and settled by cash to the shareholders during the period.

Net cash generated from/(used in) operating activities

We derived the cash generated from operating activities primarily from our marketing production services.

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For the year ended 31 December 2015, our net cash generated from operating activities was approximately HK\$11.0 million. This was mainly attributable to (i) profit before tax of approximately HK\$7.3 million; (ii) the adjustments for mainly depreciation of property, plant and equipment of approximately HK\$1.3 million and amortisation of intangible assets of approximately HK\$0.8 million; (iii) the decrease in trade and other receivables, deposits and prepayments of approximately HK\$3.2 million which was mainly due to the decrease in trade receivables balances; and (iv) the increase in amounts due from related companies of approximately HK\$0.6 million as we commenced to provide administrative services to related company.

For the year ended 31 December 2016, our net cash generated from operating activities was approximately HK\$15.4 million. This was mainly attributable to (i) profit before tax of approximately HK\$11.3 million which was primarily adjusted for depreciation of property, plant and equipment of approximately HK\$0.8 million, amortisation of intangible assets of approximately HK\$0.8 million and net exchange loss of approximately HK\$0.6 million which was due to the depreciation of the British Pound in our bank account; (ii) decrease in trade and other receivables, deposits and prepayments of approximately HK\$2.1 million which was mainly due to the tightening of debt collection; (iii) increase in trade and other payables, accruals and deposits received of approximately HK\$2.6 million which was attributable to some year-end projects which had not been settled before the cut-off day of the financial year and increase in receipts in advance by approximately HK\$1.3 million for the year ended 31 December 2016; and (iv) income tax paid of approximately HK\$2.0 million.

For the five months ended 31 May 2017, our net cash used in operating activities was approximately HK\$9.2 million. This was mainly attributable to (i) the loss before tax of approximately HK\$3.1 million due to the incurrence of listing expenses in the amount of approximately HK\$6.4 million; (ii) the adjustments for amortisation of intangible assets and depreciation of property, plant and equipment for the amount of approximately HK\$0.3 million and HK\$0.4 million respectively; (iii) the increase in trade and other receivables, deposits and prepayments in the amount of approximately HK\$3.9 million which was due to the increase in prepayment of listing expenses of approximately HK\$1.2 million, the rental deposit paid to the landlord of our office in Quarry Bay, Hong Kong for the new tenancy agreement signed during the five months ended 31 May 2017 of approximately HK\$1.1 million and the increase in prepayment of project costs of approximately HK\$1.1 million; (iv) the decrease in the trade and other payables, accruals and deposits received in the amount of approximately HK\$3.7 million due to the reduction of procurement cost as a result of the decrease in revenue from the physical media production and management; and (v) the increase in the inventory balance due to the purchase of inventories from celebratethemakers Limited during the five months ended 31 May 2017.

Our Group recorded the net cash generated from operating activities of approximately HK\$15.4 million for the year ended 31 December 2016 and net cash used in operating activities of approximately HK\$9.2 million for the five months ended 31 May 2017, such changes were mainly due to (i) the significant increase in payment for the five months ended 31 May 2017 of (a) the listing expenses of approximately HK\$6.8 million for the five months ended 31 May 2017; and (b)

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the rental deposit for the head office of approximately HK\$1.1 million for the five months ended 31 May 2017; and (ii) the lower level of trade payables as a result of the decrease in outsourced project costs and materials and consumables.

Net cash (used in)/generated from investing activities

During the Track Record Period, our investing activities primarily consisted of acquisition of property, plant and equipment, advance to or repayment from an immediate holding company, additions of intangible assets, interest received and proceeds from disposal of property, plant and equipment.

Net cash used in investing activities for the year ended 31 December 2015 was approximately HK\$3.1 million. This was primarily due to (i) the acquisition of our property, plant and equipment of approximately HK\$1.6 million due to renovation of our Hong Kong office premises and purchase of furniture, computer and other equipment; (ii) the additions of intangible assets comprising mainly management systems and software of approximately HK\$0.3 million; and (iii) advance to immediate holding company of approximately of HK\$1.0 million.

Net cash generated from investing activities for the year ended 31 December 2016 was approximately HK\$0.8 million. This was primarily due to the repayment of approximately HK\$1.0 million from an immediate holding company which was partially offset by the acquisition of property, plant and equipment such as furnitures, fixtures and computer equipment of approximately HK\$0.2 million.

Net cash used in investing activities for the five months ended 31 May 2017 was approximately HK\$0.2 million. This was primarily due to acquisition of property, plant and equipment such as furnitures, fixtures and computer equipment of approximately HK\$0.1 million during the period.

Net cash used in financing activities

During the Track Record Period, our financing activities primarily consisted of dividends paid and proceeds from issuance of shares of Icicle Group to its then Shareholders.

No cash was used in or generated from financing activities for the year ended 31 December 2015.

For the year ended 31 December 2016, we had net cash used in financing activities of approximately HK\$5.7 million, which was primarily attributable to the dividends paid by Icicle Group of approximately HK\$9.5 million, and partially offset by the proceeds from issuance of shares of Icicle Group to its then shareholder (being the Second Subscription by Hertford Global) of approximately HK\$3.8 million for general working capital use.

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For the five months ended 31 May 2017, we had net cash used in financing activities of approximately HK\$3.0 million, which was primarily attributable to the dividend paid by Icicle Group to the shareholders of approximately HK\$3.0 million during the five months ended 31 May 2017.

NET CURRENT ASSETS AND SELECTED ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets out our net current assets, current liabilities and selected items of the consolidated statements of financial position as at the respective financial position dates indicated:

	As at 31 December		As at 31 May	As at 30 September
	2015	2016	2017	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Unaudited)
Current assets				
Inventories	—	—	346	338
Trade and other receivables, deposits and prepayments	20,242	17,541	21,539	31,777
Amount due from an immediate holding company	980	—	—	—
Amounts due from related companies	1,148	1,845	287	360
Cash and cash equivalents	26,776	36,678	24,462	23,232
Current liabilities				
Trade and other payables, accruals and deposits received	(11,872)	(14,429)	(10,705)	(20,139)
Amounts due to shareholders	—	—	(11,991)	(11,991)
Current tax payable	(505)	(913)	(1,454)	(2,284)
Provision of long service payment	(577)	(577)	(497)	(497)
Net current assets	<u>36,192</u>	<u>40,145</u>	<u>21,987</u>	<u>20,796</u>

We recorded net current assets of approximately HK\$36.2 million, HK\$40.1 million, HK\$22.0 million and HK\$20.8 million as at 31 December 2015 and 2016, 31 May 2017 and 30 September 2017 respectively. The increase of net current assets from approximately HK\$36.2 million as at 31 December 2015 to approximately HK\$40.1 million as at 31 December 2016 was mainly attributable to the increase in cash and cash equivalents which was partially offset by the (i) decrease in trade and other receivables, deposits and prepayments as we tightened debt collection; and (ii) the

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increase in trade and other payables, accruals and deposits received. The net current assets decreased from approximately HK\$40.1 million as at 31 December 2016 to approximately HK\$22.0 million as at 31 May 2017 was mainly due to the increase in the amounts due to shareholders of approximately HK\$12.0 million which was the remaining amount to be paid to the shareholders as a result of dividend declared during the five months ended 31 May 2017 and a decrease in cash and cash equivalents mainly due to the dividend of approximately HK\$3.0 million had been paid and settled by cash during the five months ended 31 May 2017. The net current assets further decreased from approximately HK\$22.0 million as at 31 May 2017 to approximately HK\$20.8 million as at 30 September 2017. Such decrease was mainly due to the increase in trade and other payables, accruals and deposits received of approximately HK\$9.4 million which consisted of (i) an increase in trade payable of approximately HK\$4.8 million as at 30 September 2017 mainly due to a significant increase in revenue from continuing operation in August and September 2017; and (ii) the accruals increased by approximately HK\$4.6 million as at 30 September 2017 as a result of an increase in accruals of listing expenses by approximately HK\$4.1 million. The effect was partially offset by the increase in trade and other receivables, deposits and prepayments of approximately HK\$10.2 million which was mainly attributable to (i) the amount of HK\$1.4 million of the rental deposit of the new office, other office premises and warehouse; (ii) the increase in trade receivables by approximately HK\$8.3 million as a result of the significant increase in revenue in August and September 2017; and (iii) the increase of prepayments for outsourced project costs of approximately HK\$0.4 million.

Trade and other receivables, deposits and prepayments

The following table sets forth a summary of our trade and other receivables, deposits and prepayments as at the respective financial position dates indicated:

	As at 31 December		As at 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Trade receivables	17,630	14,885	15,379
Rental deposits	555	521	1,591
Prepayments	1,207	2,006	4,433
Other receivables	850	129	136
	20,242	17,541	21,539

Trade receivables

Our trade receivables primarily consist of balances due from our clients who are brand owners for the provision of our marketing production services.

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Our trade receivables was approximately HK\$17.6 million, HK\$14.9 million and HK\$15.4 million as at 31 December 2015 and 2016 and 31 May 2017, respectively. Our trade receivables decreased as at 31 December 2016 as compared to that as at 31 December 2015 was mainly due to the tightening of debt collection. Our trade receivables increased as at 31 May 2017 as compared to that as at 31 December 2016 mainly due to the delayed settlement from certain clients as those clients took a longer internal approval process to authorise the payment.

Based on our assessment of our clients' historical settlement pattern, creditworthiness and working relationship with us, at the request of our clients and/or upon review of the profiles of our clients and the sizeable contract sum, we may, on a case-by-case basis, agree to a longer credit period. During the Track Record Period, the maximum credit period granted to our client was 60 days.

The following table sets forth the breakdown of our trade receivables based on due date as at the dates indicated:

	As at 31 December		As at 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Neither past due nor impaired	6,484	7,536	5,680
Less than 1 month past due	5,571	3,912	4,137
Over 1 month but less than 3 months past due	3,725	2,435	2,997
Over 3 months but less than 1 year past due	1,834	995	2,556
Over 1 year past due	16	7	9
	17,630	14,885	15,379

Our management closely monitors the settlement status of our trade receivables to ensure a healthy cashflow. The project managers are responsible to monitor the payment status and chase for settlement if it is overdue. It is our Group's target to maintain our trade receivable turnover days of not more than 45 days.

Our policy for impairment on trade receivables is based on an evaluation of collectibility and ageing analysis of the receivables that requires the use of judgment and estimates of our management. Provisions for trade receivables would be made if the management considers their collectibility is at risk. Our management reviews the trade receivable balances and any overdue balances periodically on an ongoing basis, and assessments are made by our management on the collectibility of overdue balances. We did not experience any material payment defaults from our clients during the Track Record Period. For the two years ended 31 December 2016 and the five months ended 31 May 2017, we had not determined any trade receivables irrecoverable and written-off.

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As at 31 December 2015 and 2016 and 31 May 2017, trade receivables with an aggregate carrying amount of approximately HK\$11.1 million, HK\$7.3 million and HK\$9.7 million was past due but not impaired, respectively. Our Directors are of the view that such trade receivables related to clients for whom there is no significant financial difficulty and based on our experience, no impairment allowance was necessary in respect of these overdue balances as there had not been a significant change in credit quality of those clients and such amounts were still considered recoverable based on historical experience. During the Track Record Period, our Directors further confirmed that we did not hold any collateral as security over these debtors.

The following table sets forth an ageing analysis of our trade receivables based on the invoice date as at the dates indicated:

	As at 31 December		As at 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Within 1 month	6,995	8,919	6,491
Over 1 month but less than 3 months	7,515	3,964	5,865
Over 3 months but less than 1 year	3,102	1,962	3,010
Over 1 year	18	40	13
	17,630	14,885	15,379

As at the Latest Practicable Date, approximately HK\$14.5 million or 94.6% of our outstanding trade receivables as at 31 May 2017 had been settled.

The table below sets forth a summary of trade receivable turnover days during the Track Record Period:

	For the year ended 31 December		For the five months ended 31 May
	2015	2016	2017
	Trade receivable turnover days (<i>Note</i>)	87	65

Note: Trade receivable turnover days for the year is derived by dividing the arithmetic mean of the opening and closing balances of trade receivables for the relevant period by revenue from continuing operation and multiplying by 365 days and 366 days for the years ended 31 December 2015 and 2016 and 151 days for the five months ended 31 May 2017, respectively.

Our trade receivable turnover days were approximately 87 days, 65 days and 81 days for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively. For the year ended 31 December 2015, our trade receivable turnover days exceeded our Group's maximum credit period of 60 days as we had experienced delayed settlement from some of our clients who

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mainly engaged us for development and maintenance of online marketing and purchasing platforms for physical media inventory and distribution management and that we recorded relatively higher revenue in the festive season, being the fourth quarter of the year.

The decrease in trade receivables turnover days from approximately 87 days for the year ended 31 December 2015 to approximately 65 days for the year ended 31 December 2016 was mainly attributable to the tightening debt collection. The increase in trade receivables turnover days from approximately 65 days for the year ended 31 December 2016 to approximately 81 days for the five months ended 31 May 2017 was mainly due to the delayed settlement from certain clients as those clients took a longer internal approval process to authorise the payment.

Having considered that (i) less than half of our trade receivables was past due but not impaired as at 31 December 2016; and (ii) our trade receivables decreased by approximately 15.6% despite the increase in our revenue from continuing operation for the year ended 31 December 2016. Our Directors are of the view that there is no trade receivable recoverability problem. Accordingly, our Directors are of the view that our credit policy currently in place is effective.

Deposits, prepayments and other receivables

The following table sets forth the deposits, prepayments and other receivables as at the respective financial position dates indicated:

	As at 31 December		As at 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Rental deposits	555	521	1,591
Prepayments	1,207	2,006	4,433
Other receivables	850	129	136
Total	2,612	2,656	6,160

As at 31 December 2015, our deposits, prepayments and other receivables primarily consisted of (i) rental deposits for our existing warehouse; (ii) prepayments to suppliers and subcontractors; and (iii) other receivables comprised of money in our electronic payment account. As at 31 December 2016, our deposits, prepayments and other receivables primarily consisted of (i) rental deposits for our existing warehouse; (ii) prepayments of listing expenses; and (iii) prepayments to suppliers and subcontractors. The decrease in deposits was mainly due to the close down of our London office in the year ended 31 December 2016. The increase in prepayments in the year ended 31 December 2016 was mainly attributable to prepayments of listing expenses of approximately HK\$1.1 million while there was a significant decrease in other receivables which was primarily due to the decrease in amount in the electronic payment account of approximately HK\$0.6 million.

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As at 31 May 2017, our deposits, prepayments and other receivables primarily consisted of (i) rental deposits for our existing office and warehouse; (ii) prepayments of listing expenses; and (iii) prepayments to suppliers and subcontractors. The increase in rental deposits was mainly due to the deposits paid to the landlord of our Group's office in Quarry Bay, Hong Kong of approximately HK\$1.1 million for the new tenancy agreement during the five months ended 31 May 2017. The increase in prepayments was mainly due to the prepayment for the listing expenses of approximately HK\$1.2 million and prepayment for the project cost of digital media production of approximately HK\$1.1 million.

Amounts due from an immediate holding company and related companies

For the year ended 31 December 2015, there was an advancement of approximately HK\$1.0 million paid to GL and such amount has been fully repaid in December 2016.

The amounts due from related companies, namely celebratethemakers Limited and NewspaperDirect, were approximately HK\$1.1 million, HK\$1.8 million and HK\$0.3 million as at 31 December 2015 and 2016 and 31 May 2017, respectively. Such amounts due from related companies were trade in nature, unsecured, interest-free and have credit period of 30 days.

Trade and other payables, accruals and deposits received

Our trade payables mainly comprise amount due to suppliers in relation to our provision of marketing production services. The table below sets forth the breakdown of our trade and other payables, accruals and deposits received as of the dates indicated:

	As at 31 December		As at 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Trade payables	8,941	10,369	6,554
Accruals	1,041	1,145	1,518
Deposits received	550	328	278
Other payables	459	401	650
Receipts in advance	881	2,186	1,705
Total	11,872	14,429	10,705

Trade payables

As at 31 December 2015 and 2016 and 31 May 2017, our trade payables was approximately HK\$8.9 million, HK\$10.4 million and HK\$6.6 million, respectively. Our trade payables increased by approximately 16.0% as at 31 December 2016 which was mainly attributable to some projects by the end of the year which had not been settled before the cut-off day of the financial year. Our trade payables decreased by approximately 36.8% as at 31 May 2017 as compared to that as at 31

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December 2016 which was mainly attributable to (i) settlement of our trade payables as at 31 December 2016; and (ii) the reduction in the outsourced project costs, during the five months ended 31 May 2017.

Our trade payables were due according to the terms on the relevant contracts. In general, our suppliers grant us a credit term of 30 days to 90 days and we settle our payment by cheque or bank transfer. The following table sets forth the ageing analysis of our trade payables based on invoice date at the respective financial position dates indicated:

	As at 31 December		As at 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Within 30 days	4,346	5,523	3,854
31 days to 90 days	3,999	4,516	2,446
91 days to less than 1 year	586	329	253
Over 1 year	10	1	1
	8,941	10,369	6,554

The following table sets out the trade payable turnover days during the Track Record Period:

	For the year ended 31 December		For the five months ended
	2015	2016	31 May
			2017
Trade payable turnover days (<i>Note</i>)	70	82	111

Note: Trade payables turnover days for the period is derived by dividing the arithmetic mean of the opening and closing balances of trade payables for the relevant period by outsourced project costs and materials and consumables from continuing operation and multiplying by 365 days and 366 days for the year ended 31 December 2015 and 2016 and 151 days for five months ended 31 May 2017, respectively.

Our trade payables turnover days was approximately 70 days and 82 days for the year ended 31 December 2015 and 2016, respectively. The increase in trade payables turnover days was due to the increase in trade payable for the reason as above. Our trade payables turnover days was approximately 111 days for the five months ended 31 May 2017. Such increase was mainly due to a higher portion of cost incurred in May 2017 which result in a higher trade payables as at 31 May 2017.

As at the Latest Practicable Date, approximately HK\$5.5 million or 83.5% of our outstanding trade payables as at 31 May 2017 had been settled.

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Accruals

Our accruals mainly comprise the accruals for bonus and mandatory provident fund to our staff and the listing expenses. Our accruals increased by approximately 10.0% from approximately HK\$1.0 million as at 31 December 2015 to approximately HK\$1.1 million as at 31 December 2016. Such increase was mainly attributable to (i) the increase in accruals for bonus to our staff which was in line with our increase in revenue from continuing operation for the year ended 31 December 2016; and (ii) accruals for the listing expenses for the year ended 31 December 2016. Our accruals increased by approximately 32.6% from approximately HK\$1.1 million as at 31 December 2016 to approximately HK\$1.5 million as at 31 May 2017. Such increase was primarily due to accruals of listing expenses incurred during the five months ended 31 May 2017.

Deposits received

Our deposits received were mainly the amount received by us from end users of the online marketing and purchasing platform for physical inventory and distribution management which we provide to one of our major clients. When an end user makes an online purchase, the back-end system we design for our client in support of the said platform will process the transaction payment by way of credit card, bank transfer or cheque. We will receive such transaction amount in our bank account on behalf of our client, and will release such amount to our client after deducting certain service fees on a periodic basis upon agreement with our client. Our deposit received decreased by approximately 40.4% from approximately HK\$0.6 million as at 31 December 2015 to approximately HK\$0.3 million as at 31 December 2016, which was mainly attributable to the delay settlement in releasing such amount to our client in the year ended 31 December 2015, while there was no such delay in the year ended 31 December 2016. Our deposit received remained stable at approximately HK\$0.3 million as at 31 December 2016 and 31 May 2017, respectively.

Other payables

Our other payables mainly represent value added tax payable to the PRC tax authority and payables to transportation vendor, which decreased by approximately 12.6% from approximately HK\$0.5 million as at 31 December 2015 to approximately HK\$0.4 million as at 31 December 2016 due to the decrease in payables to transportation vendors. Our other payables increased by approximately 62.1% from approximately HK\$0.4 million as at 31 December 2016 to approximately HK\$0.7 million as at 31 May 2017 due to the increase in the payables to transportation service providers.

Receipts in advance

Our receipts in advance is primarily consisted of the payments in advance by our clients. Our receipts in advance increased from approximately HK\$0.9 million as at 31 December 2015 to approximately HK\$2.2 million as at 31 December 2016, which was mainly due to the growth in the number of projects that we might be requested for prepayments to suppliers before production commences whereas we simultaneously requested for advance payment from customers. Our

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receipts in advance decreased from approximately HK\$2.2 million as at 31 December 2016 to approximately HK\$1.7 million as at 31 May 2017, which was mainly due to the reduction in receipts in advance from certain customers of our Group.

INDEBTEDNESS

	As at 31 December		As at 31 May	As at 30 September
	2015	2016	2017	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Unaudited)
Amounts due to shareholders	<u>—</u>	<u>—</u>	<u>11,991</u>	<u>11,991</u>

The amounts due to shareholders as at 31 May 2017 and 30 September 2017 were unsecured and related to dividend declared during the five months ended 31 May 2017 which have been fully paid in cash by our Group prior to the Listing.

Save as aforesaid or otherwise disclosed in this prospectus, and apart from intra-group liabilities, during the Track Record Period and up to 30 September 2017 (being the latest practicable date for the preparation of the indebtedness statement in this prospectus), our Group did not have any outstanding borrowings or utilised banking facilities. Our Directors confirmed that they are not aware of any foreseeable problem in obtaining banking facilities for our business if the need arises, based on the fact that our Company is financially healthy in nature. As at the Latest Practicable Date, we did not have any outstanding borrowings nor utilised banking facilities. Our Directors have confirmed that there has been no material change in our indebtedness up to the Latest Practicable Date.

Contingent liabilities

As at 31 December 2015 and 2016, 31 May 2017 and 30 September 2017 (being the latest practicable date for the preparation of the indebtedness statement in this prospectus), we did not have any material contingent liabilities.

Save for the aforesaid or as otherwise disclosed in this prospectus, our Group did not have any outstanding bank borrowings or utilised banking facilities issued or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptable credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantee or other material contingent liabilities as at 30 September 2017 (being the latest practicable date for the preparation of the indebtedness statement in this prospectus).

Our Directors confirmed that we had neither experienced any difficulties in obtaining banking facilities or repaying, nor breached any major covenant or restriction of our bank loans or other bank facilities during the Track Record Period. Our Directors confirmed that as at the Latest Practicable Date, we did not have any material contingent liabilities.

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CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Capital commitments

As at 31 December 2015 and 2016 and 31 May 2017, we did not have any capital commitments.

Operating lease commitments

As at 31 December 2015 and 2016 and 31 May 2017, our Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at 31 December				As at 31 May	
	2015		2016		2017	
	Properties	Office equipments	Properties	Office equipments	Properties	Office equipment
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within 1 year	3,054	1,120	2,870	1,349	2,249	1,203
Over 1 year but less than 5 years	3,521	1,532	651	2,251	—	1,904
Over 5 years	—	—	—	69	—	—
	6,575	2,652	3,521	3,669	2,249	3,107

Our Group rents a number of properties and office equipments under operating leases. The agreements run for an initial period of three months to six years.

CAPITAL EXPENDITURE

Our capital expenditure for the two years ended 31 December 2016 and the five months ended 31 May 2017 amounted to approximately HK\$2.0 million, HK\$0.3 million and HK\$0.2 million, respectively, which was mainly due to the renovation of our office premises in Hong Kong and the purchase of furniture in 2015, additional new computers, equipment, management systems and software during the Track Record Period. We anticipate that our future capital expenditures will be increased in line with the expansion of our operations. Our planned capital expenditures for the years ending 31 December 2017 and 31 December 2018 are expected to be approximately HK\$2.6 million and HK\$11.1 million, respectively. We expect that our planned capital expenditures for the year ending 31 December 2017 will be primarily used for new office renovation, adding and upgrading office equipment, including the photographic and video production facilities. We also expect that our planned capital expenditures for the year ending 31 December 2018 will be primarily used for our development and implementation of real time talent management system, upgrading the accounting system, adding and upgrading office equipment and production facilities. The planned capital expenditure under our Group's implementation plans is expected to be approximately HK\$15.5 million for the period from the Latest Practicable Date up to 31 December

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2019. In addition, it is expected to be financed by the net proceeds from the Share Offer. Please refer to the paragraph headed “Future plans and use of proceeds — Implementation plans” in this prospectus for a detailed description of our expansion plans.

WORKING CAPITAL

Our Directors are of the opinion that, taking into account the financial resources available to our Group including the internally generated funds and the estimated net proceeds from the Share Offer, our Group has sufficient working capital for its present requirement for at least the next 12 months from the date of this prospectus.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we did not have any material off-balance sheet arrangement or contingencies expects as disclosed under the paragraph headed “Indebtedness” in this section.

EVENT AFTER THE REPORTING PERIOD

Our Group underwent the Reorganisation in preparation for the listing of Shares on GEM of the Stock Exchange. Further details of the Reorganisation are set out in the paragraph headed “History, Reorganisation and corporate structure — Overview of Reorganisation” in this prospectus. Further events after the reporting period are set out in Note 31 to the Accountants’ Report in Appendix I to this prospectus.

OTHER KEY FINANCIAL RATIOS

The following table sets forth certain margin financial ratios during the Track Record Period and should be read in conjunction with the Accountants’ Report as set out in Appendix I to this prospectus:

	As at/For the year ended 31 December		As at/For the five months ended 31 May
	2015	2016	2017
Current ratio (<i>Note 1</i>)	3.8	3.5	1.9
Return on assets (<i>Note 2</i>)	12.7%	15.8%	N/A
Return on equity (<i>Note 3</i>)	17.0%	21.7%	N/A
Gearing ratio (<i>Note 4</i>)	N/A	N/A	N/A
Debt to equity ratio (<i>Note 5</i>)	N/A	N/A	N/A
Interest coverage (<i>Note 6</i>)	N/A	N/A	N/A

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Notes:

1. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the respective year/period end.
2. Return on assets is calculated by profit after tax for the year/period from continuing operation divided by the total assets as at the respective year/period end and multiplied by 100%.
3. Return on equity is calculated by profit after tax for the year/period from continuing operation divided by the total equity as at the respective year/period end and multiplied by 100%.
4. Gearing ratio is calculated based on the interest-bearing liabilities divided by the total equity as at the respective year/period end and multiplied by 100%.
5. Debt to equity ratio is calculated by the net debt (all borrowings net of cash and cash equivalents) divided by the total equity as at the respective year/period end and multiplied by 100%.
6. Interest coverage is calculated by the profit before interest and tax from continuing operation divided by the finance costs as at the respective year/period end.

Current ratio

Our Group's current ratio was relatively stable at approximately 3.8 times as at 31 December 2015 and approximately 3.5 times as at 31 December 2016, respectively. The decrease in current ratio was mainly attributable to the decrease in trade receivables and increase in trade payables, and partially offset by increase in cash and cash equivalents. The decrease in trade receivables was mainly due to the tightening of debt collection whereas the increase in trade payables was in line with the growth of our outsourced project costs, driving up the corresponding costs near the year end. The increase in cash and cash equivalents was principally driven by the increased net cash generated from operating activities and investing activities. Our Group's current ratio was decreased to approximately 1.9 times as at 31 May 2017. The decrease was mainly due to dividend declared in the amount of approximately HK\$15.0 million during the five months ended 31 May 2017.

Return on assets and return on equity

Our return on assets increased from approximately 12.7% for the year ended 31 December 2015 to approximately 15.8% for the year ended 31 December 2016. The increase was mainly due to the increase of our total assets by approximately 10.6% from approximately HK\$52.5 million as at 31 December 2015 to approximately HK\$58.1 million as at 31 December 2016 while our profit after tax for the year from continuing operation increased by a more than proportionate percentage of approximately 36.9% from approximately HK\$6.7 million for the year ended 31 December 2015 to approximately HK\$9.1 million for the year ended 31 December 2016.

Our return on equity increased from approximately 17.0% for the year ended 31 December 2015 to approximately 21.7% for the year ended 31 December 2016, respectively. The increase was mainly due to an increase in our total equity by approximately 7.3% from approximately HK\$39.3 million as at 31 December 2015 to approximately HK\$42.1 million as at 31 December 2016 while

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our profit after tax for the year from continuing operation was increased by a more than proportionate percentage of approximately 36.9% from approximately HK\$6.7 million for the year ended 31 December 2015 to approximately HK\$9.1 million for the year ended 31 December 2016.

The increase in the return on assets and return on equity was primarily attributable to the increase in profit after tax for the year from continuing operation for the year ended 31 December 2016, resulting from the increase in revenue from continuing operation for the year ended 31 December 2016 and partially offset by listing expenses incurred and the increase of outsourced project costs.

Return on assets and return on equity for the five months ended 31 May 2017 were not applicable which were mainly due to listing expenses incurred, which cause our Group to record a loss during the five months ended 31 May 2017. For illustrative purpose, return on assets (excluding listing expenses) for the two years ended 31 December 2016 and the five months ended 31 May 2017 is 12.7%, 19.0% and 5.4%, respectively. The decrease was mainly due to (i) the increase in trade and other receivables, deposits and prepayments in the five months ended 31 May 2017 as the delay settlement from certain clients as those clients took a longer internal approval process to authorise the payment; and (ii) the decrease in net profit for the five months ended 31 May 2017 comparing 31 May 2016 which was due to the decrease in revenue and decrease in net profit margin. Return on equity (excluding listing expenses) for the two years ended 31 December 2016 and the five months ended 31 May 2017 is 17.0%, 26.2% and 11.0%, respectively. The decrease was mainly due to the decrease in net profit for the five months ended 31 May 2017 as a result of comparing 31 May 2016 which was due to the decrease in revenue and decrease in net profit margin.

Gearing ratio, debt to equity ratio and interest coverage

Given that our Group has not obtained any bank borrowing and incurred any interest expenses during the Track Record Period, gearing ratio, debt to equity ratio and interest coverage are not applicable to our Group.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had entered into certain related party transactions, details of which are set out in note 27 to the Accountants' Report as set out in Appendix I to this prospectus in addition to the transactions details elsewhere in this prospectus.

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The following table sets forth the related parties transactions during the Track Record Period:

	<u>For the year ended 31 December</u>		<u>For the five months ended 31 May</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>
	HK\$'000	HK\$'000	HK\$'000
Revenue from provision of marketing production services to celebratethemakers Limited (<i>Note a</i>)	314	930	103
Revenue from provision of marketing production services to NewspaperDirect (<i>Note b</i>)	742	694	215
Revenue from provision of marketing production services to MCL Financial Group Ltd (<i>Note c</i>)	—	18	13
Revenue from provision of marketing production services to Woo Hon Fai Holdings Limited (<i>Note d</i>)	—	83	—
Revenue received from close family members of Ms. Bonnie Chan Woo for provision of marketing production services	4	14	—
Revenue received from Ms. Bonnie Chan Woo for provision of marketing production services	4	—	1
Sales of property, plant and equipment to celebratethemakers Limited (<i>Note a</i>)	38	—	—
Acquisition of property, plant and equipment from celebratethemakers Limited (<i>Note a</i>)	—	—	51
Acquisition of intangible assets from celebratethemakers Limited (<i>Note a</i>)	—	—	23
Purchase of paper products and calligraphy stationery from celebratethemakers Limited (<i>Note a</i>)	—	—	352
Administrative service income received from celebratethemakers Limited (<i>Note a</i>)	195	697	88

Notes:

- (a) Spouse of Ms. Bonnie Chan Woo, an executive Director of our Company, and Mr. Chow Sai Yiu Evan, a non-executive director of our Company are the beneficial owners of this related company.
- (b) Spouse of Ms. Bonnie Chan Woo, an executive Director of our Company is the beneficial owner of this related company.

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- (c) Mr. Chow Sai Yiu Evan, a non-executive Director of our Company is the beneficial owner of this related company.
- (d) Spouse of Ms. Bonnie Chan Woo, an executive Director of our Company is one of the directors of this related company.

During the Track Record Period, the related parties transactions were principally rendering marketing production services mainly to celebratethemakers Limited and NewspaperDirect, and rendering administrative service to celebratethemakers Limited. Our Directors confirmed that, save for the provision of marketing production services to NewspaperDirect, which will constitute exempt continuing connected transactions of our Group after Listing and the details of which are disclosed in the section headed “Connected transactions” in this prospectus, all the other related parties transactions as disclosed above were non-recurrence in nature, and will not constitute continuing connected transactions of our Group. As and when our Group enters into any of the above non-recurrence related party transactions after Listing, our Group will comply with the requirements of the GEM Listing Rules.

Our Directors are of the view that the related party transactions were conducted at arm’s length and on normal commercial terms, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance.

LISTING EXPENSES

Assuming the Offer Price of HK\$0.54 per Offer Share, being the mid-point of the indicative range of the Offer Price stated in this prospectus, the listing expenses, which are non-recurrent in nature, are estimated to be approximately HK\$21.0 million (including the underwriting commission).

Approximately HK\$7.1 million of our estimated listing expenses is directly attributable to the issue of the Offer Shares and is to be accounted for as a deduction from equity in accordance with the relevant accounting standard. The remaining amount of approximately HK\$13.9 million has been or is to be charged to the consolidated statements of comprehensive income, of which (i) approximately HK\$1.9 million and HK\$6.4 million were recognised for the year ended 31 December 2016 and the five months ended 31 May 2017, respectively (as set out in Appendix I to this prospectus); and (ii) remaining of approximately HK\$5.6 million is expected to be charged for the year ending 31 December 2017.

Our Directors would like to emphasise that the listing expenses stated above are the current estimation for reference purpose and the actual amount to be recognised is subject to adjustments based on changes in variables and assumptions. Prospective investors should note that the financial performance of our Group for the year ending 31 December 2017 would be materially and adversely affected by the listing expenses mentioned above.

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IMPACT OF EXPENSES RELATING TO OUR EXPANSION PLAN

Our Directors are of the view that the expenses in relation to our expansion plan would have an impact on our financial results for each of the three years ending 31 December 2019, on the assumption that we intend to use approximately HK\$28.0 million to establish a data management team, develop social media offering to cater for Chinese brands and offer original content production services by upgrading and expanding our work premises and infrastructure including setting up a studio by the end of 2019, expansion and adding equipments to a new office premises and hiring of 27 additional talents in total by the end of 2019, further details of which have been disclosed in the section headed “Future plans and use of proceeds” in this prospectus. Such expansion will result in higher rental, incidental depreciation expense of the leasehold improvement and staff costs.

Notwithstanding the impact on our financial results described above, our Directors are of the view that the expansion is important to our Group’s business strategies since our current office premises is not sufficient to accommodate further hiring of talents. Such expansion plans are also necessary for us to capture the growth in demand for higher profit margin business service of social media marketing and original content production services. Please refer to the paragraph headed “Business — Business strategies” in this prospectus for further details of our expansion plans.

DIVIDEND POLICY

For the two years ended 31 December 2016 and the five months ended 31 May 2017, our Group declared dividends of nil, approximately HK\$9.5 million and HK\$15.0 million, respectively, out of our distributable profits during the relevant period. All dividends have been paid, except for an interim dividend of HK\$15.0 million for the five months ended 31 May 2017, of which HK\$3.0 million had been paid and settled by cash on 5 April 2017 and the remaining sum have been fully paid in cash by our Group prior to the Listing.

Our Directors intend to strike a balance between maintaining sufficient capital to grow our business and rewarding our Shareholders. After completion of the Share Offer, our Shareholders will be entitled to receive dividends only when declared by our Directors. Our Directors currently intend to pay annual cash dividend of 10% to 30% of the profit after tax of our Company for the applicable year for the period up to the year ending 31 December 2019. However, the declaration of future dividends will be subject to our Directors’ discretion and will depend on, among other things, our earnings, cash flows, financial condition, capital requirements, statutory reserve requirements and any other factors our Directors may consider relevant. The amount of dividend will be determined upon the completion of financial audit and will be referred to distributable profits shown on audited financial report. As a result, there can be no assurance that our Group will achieve profit or any particular dividend amount or any dividend at all, will be declared and paid in the future. The dividends distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future.

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DISTRIBUTABLE RESERVES

Our Company was incorporated on 20 January 2017 and has not carried out any business since the date of incorporation save for the transactions related to the Reorganisation. Accordingly, there was no reserve available for distribution to our Shareholders as at 31 December 2016.

DISCLOSURE UNDER CHAPTER 17 OF THE GEM LISTING RULES

Our Directors have confirmed that as at the Latest Practicable Date, there are no circumstances which would give rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

TAXATION

Our Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law and, accordingly, are exempted from the payment of the Cayman Islands income tax. For our subsidiaries incorporated in the BVI, they are incorporated as BVI business companies under the BVI Business Companies Act 2004 and are exempted from payment of income tax of BVI.

For our subsidiaries incorporated in Hong Kong, profit arising in or derived from Hong Kong are subject to Hong Kong profits tax. Provision for Hong Kong profits tax has been calculated at the applicable rate of 16.5% for each of the two years ended 31 December 2016 and the five months ended 31 May 2017, on the estimated assessable profits of our subsidiaries operating in Hong Kong. For our subsidiary incorporated in the PRC, profit arising in or derived from the PRC are subject to enterprise income tax of the PRC at a statutory rate of 25% on the estimated assessable profits. For the income tax expense recognised by our Group during the Track Record Period, please refer to note 10 to the Accountants' Report in Appendix I to this prospectus.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

During our normal course of business, we are exposed to various financial risks, including liquidity risk, currency risk and credit risk.

Liquidity risk

Liquidity risk relates to the risk that our Group will not be able to meet obligations associated with its financial liabilities. Our Group is exposed to liquidity risk in respect of settlement of trade and other payables and accruals and also in respect of its cash flow management. Our Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

FINANCIAL INFORMATION

The maturity profile of our Group's non-derivative financial liabilities at each reporting period, based on the contracted undiscounted payments, is as follows:

	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	HK\$'000	HK\$'000	HK\$'000
As at 31 December 2015			
Trade and other payables and accruals	10,441	10,441	10,441
As at 31 December 2016			
Trade and other payables and accruals	11,915	11,915	11,915
As at 31 May 2017			
Trade and other payables and accruals	8,722	8,722	8,722
Amounts due to shareholders	11,991	11,991	11,991
	<u>20,713</u>	<u>20,713</u>	<u>20,713</u>

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our Group is exposed to foreign currency risk related primarily to the operations giving rise to bank balances that are denominated in US\$, British Pound and RMB. Our Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging any foreign currency exposure should such need arises.

The carrying amounts of our Group's financial assets and liabilities denominated in a currency other than functional currency of the respective Group entities at the end of each financial year during Track Record Period are as follows:

	As at 31 December				As at 31 May	
	2015		2016		2017	
	HK\$'000	Approximate % of net financial assets and liabilities	HK\$'000	Approximate % of net financial assets and liabilities	HK\$'000	Approximate % of net financial assets and liabilities
Overall net exposure						
US\$ (<i>Note</i>)	9,405	25.1	11,463	27.2	11,409	54.0
GBP	1,505	4.0	396	0.9	492	2.3
RMB	21	0.1	14	0.0	16	0.1

Note: Since HK\$ is pegged with US\$, the relevant foreign currency risk is minimal. Accordingly, no sensitivity analysis is included for their fluctuation.

FINANCIAL INFORMATION

The increase of US\$ in proportion of net financial assets and liabilities of our Group as at 31 May 2017 was due to the reduced cash and cash equivalents and the increase in amounts due to shareholders in relation to the unsettled dividend during the five months ended 31 May 2017.

The following table sets forth the breakdown of the carrying amount of our Group's financial assets and liabilities denominated in US\$ at the end of each financial year during the Track Record Period:

	As at 31 December		As at 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Trade and other receivables	2,689	1,016	621
Cash and cash equivalents	6,716	10,447	10,788
	9,405	11,463	11,409

Despite our Group generated most of our revenue from Hong Kong and the PRC during the Track Record Period, we had approximately HK\$9.4 million, HK\$11.5 million and HK\$11.4 million of financial assets and liabilities denominated in US\$, respectively. Our Group converted approximately HK\$6.5 million into US\$ in 2014. This was due to our Group's commercial decision in deliberately converting most of our idle bank balances from HK\$ into US\$ to avoid any risk of devaluation of HK\$ or any volatility between HK\$ and the US\$ at the time of the Umbrella Movement in Hong Kong in 2014 when we had concerns as to the sustainability of HK\$ remain pegged with US\$ in view of Hong Kong's growing integration with China. This conversion into US\$ was one-off and not recurrent. Additional US\$ were accumulated by our Group, in the ordinary course of business, being the amounts received from clients and bank interest income. Our cash and cash equivalents denominated in US\$ increased from approximately HK\$6.7 million as at 31 December 2015 to approximately HK\$10.4 million as at 31 December 2016 mainly due to the collections of trade receivables from overseas clients who settled their invoices in US\$ and bank interest income totaling to approximately HK\$4.9 million less the payments to vendors in US\$ and bank charges incurred totaling to approximately HK\$1.2 million. Our cash and cash equivalents denominated in US\$ amounted to HK\$10.8 million as at 31 May 2017, which remained stable compared to 31 December 2016.

FINANCIAL INFORMATION

Upon Listing, our Directors will be responsible for any decision to enter into any new commitment of foreign exchange transaction. To enhance the internal control of our Group, the approval from our Board for any new commitment of foreign exchange contract or any financial derivative will be required. The majority of our Board comprising all the independent non-executive Directors will consider such new commitments of foreign exchange contracts. The management of our Group shall provide the available working capital and financial resources of our Group and possible risk exposure of such commitment of foreign exchange contract or any financial derivative for our Board's consideration and approval. Our Directors will continue to assess our Group's foreign exchange risk and adopt appropriate measures to mitigate such risk, and will adopt a prudent approach to implement financial derivative commitments and carefully evaluate the foreign exchange risk exposure to our Group from time to time. Our Group will seek proper advice and will carefully consider different factors prior to entering into any foreign exchange transactions and will also avoid entering into transactions for speculative purpose.

As our Group does not have significant exposure to foreign currency risk, our Group's income and operating cash flows are substantially independent of changes in foreign currency exchange rates.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to our Group. Bank balances of our Group are held with financial institutions of good standing. The carrying amount of trade and other receivables and amounts due from an immediate holding company and related companies represent our Group's maximum exposure to credit risk in relation to its financial assets. No other financial assets carry a significant exposure to credit risk.

Our Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent.

As at 31 December 2015 and 2016 and 31 May 2017, our Group had a certain concentration of credit risk as approximately 12%, 15% and 21% of trade receivables was due from our largest clients, respectively, while approximately 67%, 55% and 63% of trade receivables was due from our five largest clients, respectively.

FINANCIAL INFORMATION

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group attributable to the owners of our Company prepared in accordance with Rule 7.31 of the GEM Listing Rules is set out to illustrate the effect of the Share Offer on our net tangible assets as of 31 May 2017 as if the Share Offer had taken place on 31 May 2017. The statement of unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to the owners of our Company has been prepared for illustration purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of our Group as of 31 May 2017 or any future date following the Share Offer.

	Audited consolidated net tangible assets of our Group attributable to the owners of our Company as at 31 May 2017	Estimated net proceeds from the Share Offer	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to the owners of our Company	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to the owners of our Company per Share
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000	HK\$ (Note 3)
Based on a minimum Offer				
Price of HK\$0.48 per Offer Share	22,815	45,142	67,957	0.14
Based on a maximum Offer				
Price of HK\$0.60 per Offer Share	22,815	58,966	81,781	0.17

Notes:

1. The audited consolidated net tangible assets of our Group attributable to the owners of our Company as at 31 May 2017 is extracted from the Accountants' Report in Appendix I to this prospectus, which is based on the audited consolidated net assets of our Group attributable to the owners of our Company as at 31 May 2017 of approximately HK\$23,479,000 with an adjustment for intangible assets as at 31 May 2017 of approximately HK\$664,000.
2. The estimated net proceeds from the issue of the Offer Shares pursuant to the Share Offer are based on 120,000,000 Offer Shares at the Offer Price of lower limit and upper limit of HK\$0.48 and HK\$0.60 per Offer Share, respectively, after deduction of the underwriting commissions and fees and other related expenses (excluding approximately HK\$8,254,000 which have been incurred by our Group up to 31 May 2017).

It does not take into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, or any Shares which may be allotted and issued or bought back by our Company pursuant to the general mandates for the allotment and issue or buy-back Shares as described in Appendix IV to this prospectus.

FINANCIAL INFORMATION

3. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to the owners of our Company per Share is calculated based on 480,000,000 Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue.

It does not take into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, or any Shares which may be allotted and issued or bought back by our Company pursuant to the general mandates for the allotment and issue or buy-back Shares as described in Appendix IV to this prospectus.

4. No adjustment has been made to the unaudited pro forma of adjusted consolidated net tangible assets of our Group attributable to the owners of our Company to reflect any trading results or other transactions of our Group entered into subsequent to 31 May 2017.

RECENT DEVELOPMENT

Since 1 June 2017 and up to the Latest Practicable Date, our Group had secured 1,810 new projects relating to physical media production and management, digital media production and cross media development. Such new projects have a total contract value of HK\$50.1 million. As at the Latest Practicable Date, the total outstanding contract sum of existing projects on hand amounted to approximately HK\$56.7 million (which included the total outstanding contract sum of approximately HK\$6.6 million as at 31 May 2017 where revenue had not been recognised during the five months ended 31 May 2017). To the best estimation of our Directors, we expect to recognise all of such revenue in the year ending 31 December 2017. In July 2017, we entered into a letter of intent to cooperate with an international social media influencer marketing company headquartered in Los Angeles, California, the United States, aiming to connect international brands with Asian markets and with a vision to connect Chinese brands with overseas market in a longer term.

Prospective investors are specifically warned that given the estimated non-recurring listing expenses of our Group, of which approximately HK\$12.0 million are expected to be charged to the consolidated statement of comprehensive income of our Group for the year ending 31 December 2017, our Group's profit for the year ending 31 December 2017 may show a substantial decline as compared to that of the previous financial year whereby a net loss will be expected. Prospective investors are specifically warned that, given the aforesaid expenses, our Group's financial performance for the year ending 31 December 2017 may not be comparable to that of the previous year.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, save for the non-recurring listing expenses as disclosed above, up to the date of this prospectus, there had been no material adverse change in the financial or trading position of our Group after 31 May 2017 (being the latest reporting date of the Accountants' Report in Appendix I to this prospectus) and there has been no occurrence of any event after 31 May 2017 which would materially affect the information shown in the Accountants' Report in Appendix I to this prospectus.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board of Directors consists of one executive Director, one non-executive Director and three independent non-executive Directors. The following table sets forth the information about our Directors:

Name	Age	Present position	Responsibility	Date of appointment as a Director	Date of joining our Group
Executive Director					
Ms. Woo Chan Tak Chi Bonnie (胡陳德姿)	41	Chairperson of our Board, executive Director, chief executive officer and compliance officer	Overall corporate strategy and daily operations of our Group, including business development and overall management	20 January 2017	1 August 2002
		Member of the remuneration and nomination committees			
Non-executive Director					
Mr. Chow Sai Yiu Evan (周世耀)	35	Non-executive Director	Consultative role in matters concerning our Group and not day-to-day management	20 January 2017	22 June 2013
Independent non-executive Directors					
Ip Arnold Tin Chee (葉天賜)	55	Independent non-executive Director	Providing independent judgment to bear on issues of strategy, policy, performance, accountability, resources and standard conduct	16 November 2017	16 November 2017
		Chairman of the audit committee; member of the remuneration and nomination committees			
Hung Alan Hing Lun (孔慶倫)	43	Independent non-executive Director	Providing independent judgment to bear on issues of strategy, policy, performance, accountability, resources and standard conduct	3 April 2017	3 April 2017
		Chairman of the remuneration committee; member of the audit and nomination committees			
Man Ka Ho Donald (文嘉豪)	40	Independent non-executive Director	Providing independent judgment to bear on issues of strategy, policy, performance, accountability, resources and standard conduct	16 November 2017	16 November 2017
		Chairman of the nomination committee; member of the audit and remuneration committees			

DIRECTORS AND SENIOR MANAGEMENT

Executive Director

Woo Chan Tak Chi Bonnie (胡陳德姿), aged 41, has been a director of our Group since January 2004. She was appointed as our executive Director on 20 January 2017 and appointed as our compliance officer on 3 April 2017. Her appointment as a member of both the remuneration and nomination committees will take effect on the Listing Date. Ms. Bonnie Chan Woo is primarily in charge of our Group's overall corporate strategy and daily operations, including business development and overall management.

Ms. Bonnie Chan Woo joined our Group on 1 August 2002 as a business development manager and was promoted to the position of managing director on 1 April 2005 and subsequently promoted to the position of the chief executive officer of Icicle Production in February 2007. Ms. Bonnie Chan Woo has over 15 years of experience in marketing production services and company business management based on her experience in our Group.

Ms. Bonnie Chan Woo earned her bachelor of arts degree in philosophy, politics and economics and master of arts degree from the University of Oxford in October 1997 and June 2002, respectively. Since September 2011, she has been a vice chairman of the board of directors of the Hong Kong Design Centre, which is a non-profit organisation and a partner of the Hong Kong Government aiming to establish Hong Kong as a centre of design excellence in Asia.

As at the Latest Practicable Date, Ms. Bonnie Chan Woo is also a director of Icicle Group, Icicle Production and Icicle Print Management and the supervisor of Icicle Beijing. In addition, Ms. Bonnie Chan Woo is a director of Explorer Vantage which is one of our Controlling Shareholders.

Ms. Bonnie Chan Woo was a director of the following companies, which were struck off or deregistered due to cessation of business:

Name of company	Place of incorporation/ establishment	Nature of business immediately before dissolution	Means of dissolution	Date of incorporation/ establishment	Date of dissolution
Icicle Europe Limited	England and Wales	Dormant	Strike-off (Note 1)	7 November 2013	8 March 2016
Icicle Pte. Ltd.	Singapore	Dormant	Strike-off (Note 2)	6 June 2013	5 December 2016
廣州冰雪商務服務有限公司 (Icicle (Guangzhou) Print Management Limited*)	PRC	Consultation of economic information, consultation of enterprise management information, planning of printing and wholesale of gift	Deregistration (Note 3)	18 October 2010	30 June 2016
Chinec Company Limited	Hong Kong	Dormant	Deregistration (Note 4)	29 August 2001	4 January 2008

* For identification purpose only

DIRECTORS AND SENIOR MANAGEMENT

Notes:

1. Pursuant to section 1004 of the Companies Act 2006 of England and Wales (as amended), an application for voluntary striking off cannot be made if, at any time in the previous three months, the company has (a) change its name; (b) traded or otherwise carried on business; (c) made disposal for value of property or rights that, immediately before ceasing to trade or otherwise carry on business, it held for the purpose of disposal for gain in the normal course of trading or otherwise carrying on business; or (d) engaged in any other activity, except one which is necessary or expedient for the purpose of (i) making an application for strike off, or deciding whether to do so; (ii) concluding the affairs of the company; (iii) complying with any statutory requirement.

Furthermore, pursuant to section 1005 of the Companies Act 2006 of England and Wales (as amended), an application for voluntary striking off cannot be made at a time when the company is the subject or proposed subject of (a) any insolvency proceedings such as liquidation, including where a petition has been presented but has not yet been dealt with; or (b) a compromise or arrangement between a company and its creditors or members.

Ms. Bonnie Chan Woo confirmed that Icicle Europe Limited was solvent immediately before its striking-off.

2. Pursuant to section 344A of the Companies Act (Chapter 50 of Singapore), the Registrar of Companies and Businesses of Singapore may on application by a company, strike the company's name off the register on such grounds and subject conditions as may be prescribed. Such registrar may approve the application if (a) the company has not commenced business since incorporation or has ceased trading; (b) has no assets and liability (current/future); (c) the directors of the company have obtained the written consent of the majority of the shareholders; (d) the company has submitted the latest unaudited balance sheet; (e) the company has no outstanding tax liabilities; (f) the company has no outstanding employers' contributions owing to the Central Provident Fund Board of Singapore; (g) the company has no outstanding debts owed to any other government agency; (h) there is no outstanding charges in the charge registered; and (i) the company is not involved in any court proceedings whether within or outside Singapore.
3. Pursuant to the Article 180 of the Company Law of the PRC (《中華人民共和國公司法》), a company shall be dissolved if any of the following occurs: (1) expiry of the term of operation stipulated in the articles of association of the company or occurrence of an event which triggers the dissolution as provided in the articles of association of the company; (2) a resolution on dissolution has been passed by a shareholders' meeting or a shareholders' general meeting; (3) where the dissolution is required by a merger or division; (4) the business licence is revoked or the company is ordered to be closed down; (5) a dissolution of the company is ordered by a people's court, where a company experiences serious difficulties in its business and the shareholders will suffer serious damages if the company continues its operation and a shareholder or a group of shareholders holding 10% or more of the shares of the company in the absence of any other means request for a mandatory dissolution of the company by a people's court. Pursuant to the Article 22 of the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》), upon termination of a wholly foreign-owned enterprise, a deregistration shall be made with the industrial and commercial administration authorities and the business licence shall be handled in and cancelled. Icicle (Guangzhou) Print Management Limited* was dormant and was not carrying on any business at the time of the application for its deregistration. Ms. Bonnie Chan Woo confirmed that Icicle (Guangzhou) Print Management Limited* was solvent immediately before its deregistration.
4. Pursuant to section 291AA of the Predecessor Companies Ordinance, an application for deregistration can only be made if (a) all the members of such company agreed to such deregistration; (b) such company has never commenced business or operation, or has ceased to carry on business or ceased operation for more than three months immediately before the application; and (c) such company has no outstanding liabilities.

* *For identification purpose only*

DIRECTORS AND SENIOR MANAGEMENT

Ms. Bonnie Chan Woo confirmed that there was no wrongful act on her part leading to the above dissolution of the companies and she was not aware of any actual or potential claim that had been or would be made against her as a result of the dissolution and winding-up of these companies.

Ms. Bonnie Chan Woo does not have any current or past directorships in any listed companies in the last three years.

For Ms. Bonnie Chan Woo's interest in the Shares within the meaning of Part XV of the SFO, please refer to the paragraph headed "C. Further information about our Directors and substantial Shareholders — 4. Disclosure of interests and short positions of our Directors and the chief executive of our Company in the shares, underlying shares or debenture of our Company and our associated corporations" in Appendix IV to this prospectus.

Non-executive Director

Chow Sai Yiu Evan (周世耀) aged 35, has been a director of our Group since June 2013 and was appointed as our non-executive Director on 20 January 2017. Mr. Chow is primarily responsible for a consultative role in matters concerning our Group and will not be involved in the day-to-day management of our Group. Mr. Chow is the ultimate beneficial owner of Hertford Global, who has been our long-term strategic investor since June 2013.

Mr. Chow graduated magna cum laude from Brown University in May 2004 receiving a Bachelor of Arts degree, with concentrations in Applied Mathematics-Economics and in Public and Private Sector Organizations and received departmental honors as well as being selected to Phi Beta Kappa in April 2004.

Since graduation, Mr. Chow has built over 12 years of experience in corporate finance and private equity investment. During the period between 2004 and 2009, Mr. Chow has served various financial institutions in Hong Kong, including Citigroup Global Markets Asia Limited and Lehman Brothers Asia Limited. From April 2010 to December 2015, Mr. Chow has acted as a director of a number of institutions registered under the SFO and since March 2013 he has been the managing director of MCL Financial Group Limited, a financial service provider.

Apart from his career, Mr. Chow is also involved in charity and social services. He is a committee member of Centum Charitas Foundation and a member of Young Presidents' Organization.

Mr. Chow is also a director of Icicle Group and Hertford Global which is one of our substantial Shareholders.

Mr. Chow does not have any current or past directorships in any listed companies in the last three years.

DIRECTORS AND SENIOR MANAGEMENT

For Mr. Chow's interest in the Shares within the meaning of Part XV of the SFO, please refer to the paragraph headed "C. Further information about our Directors and substantial Shareholders — 4. Disclosure of interests and short positions of our Directors and the chief executive of our Company in the shares, underlying shares or debenture of our Company and our associated corporations" in Appendix IV to this prospectus.

Independent non-executive Directors

Ip Arnold Tin Chee (葉天賜), aged 55, was appointed as our independent non-executive Director on 16 November 2017 and is responsible for providing independent judgment to bear on issues of strategy, policy, performance, accountability, resources and standard conduct of our Company. His appointment as the chairman of our audit committee and member of our nomination committee and remuneration committee will take effect on the Listing Date.

Mr. Ip earned his Bachelor of Arts degree and Master of Arts degree from the University of Cambridge in the United Kingdom in June 1984 and November 1988, respectively. Mr. Ip was also formerly a director at Standard Chartered Asia Limited. Mr. Ip also served Yuanta Securities (Hong Kong) Company Limited and had been a director until January 2001. In September 2000, Mr. Ip founded the group to which Altus Holdings Limited (stock code: 8149.hk) belongs. Mr. Ip is a founding member of the management team of several funds, part of which subsequently formed Saizen REIT, a real estate investment trust listed on the Singapore Exchange Securities Trading Limited from November 2007 to October 2017.

Mr. Ip is currently licensed by the SFC to act as a responsible officer to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He is also a principal of Altus Capital Limited, a corporation licensed by the SFC to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He was admitted to membership of The Institute of Chartered Accountants in England and Wales in July 1988.

Mr. Ip's directorships in other companies listed on the Stock Exchange are set out below:

<u>Name of company</u>	<u>Stock code</u>	<u>Position</u>	<u>Length of service</u>
Pioneer Global Group Limited	0224	Independent non-executive director	23 June 1999 to present
Pak Fah Yeow International Limited	0239	Independent non-executive director	8 September 2004 to present
Sam Woo Construction Group Limited	3822	Independent non-executive director	15 September 2014 to present
Altus Holdings Limited	8149	Executive director	14 December 2015 to present

Save for the current directorships as disclosed above, Mr. Ip does not have other current or past directorships in any listed companies in the last three years.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Ip was a director of the following companies, which were dissolved or wound-up (but not due to member's voluntary winding-up) with details as follows:

Name of company	Place of incorporation/ establishment	Nature of business immediately before dissolution	Means of dissolution	Date of incorporation/ establishment	Date of dissolution
Hong Kong Poinsettia Primary School Charitable Fund Limited	Hong Kong	To raise funds for a primary school to further education of children	Strike-off <i>(Note 1)</i>	14 August 2002	26 February 2010
Altus Asset Management Limited	Hong Kong	Provision of management services	Deregistration <i>(Note 2)</i>	18 July 1996	28 August 2015
KK Tenyu Investment Management	Japan	Did not commence business	Liquidation <i>(Note 3)</i>	31 July 2015	1 April 2016
Japan Regional Assets Manager (Hong Kong) Limited	Hong Kong	Dormant	Deregistration <i>(Note 2)</i>	28 October 2005	1 April 2016
Smart Tact Investment Limited	Hong Kong	Investment	Deregistration <i>(Note 2)</i>	3 February 2010	11 December 2015

Notes:

1. Pursuant to section 291 of the Predecessor Companies Ordinance, where the Registrar of Companies of Hong Kong has reasonable cause to believe that a company is not carrying on business or in operation, the Registrar may strike the name off the register after the expiration of a specified period. Mr. Ip confirmed that, to the best of his knowledge, the said company was solvent and was not carrying on business or in operation at the time of it being struck off.
2. Under section 750 of the Companies Ordinance, an application for deregistration can only be made if (a) all the members of such company agreed to such deregistration; (b) such company has never commenced business or operation, or has ceased to carry on business or ceased operation for more than three months immediately before the application; (c) such company has no outstanding liabilities; (d) such company is not a party to any legal proceedings; (e) such company's assets do not consist of any immovable property situated in Hong Kong; and (f) if such company is a holding company, none of its subsidiary's assets consist of any immovable property situated in Hong Kong.
3. Mr. Ip confirmed that the KK Tenyu Investment Management had not commence business immediately before liquidation and had adequate assets to pay its creditors.

Mr. Ip confirmed that there was no wrongful act on his part leading to the above dissolution and winding-up of the companies and he was not aware of any actual or potential claim that had been or would be made against him as a result of the dissolution and winding-up of these companies.

DIRECTORS AND SENIOR MANAGEMENT

Hung Alan Hing Lun (孔慶倫), aged 43, was appointed as our independent non-executive Director on 3 April 2017 and is responsible for providing independent judgment to bear on issues of strategy, policy, performance, accountability, resources and standard conduct of our Company. His appointment as the chairman of our remuneration committee and members of our audit committee and nomination committee will take effect on the Listing Date.

Mr. Hung has over 20 years of experience in the finance and investment industry. He started his career as an equity analyst at Credit Lyonnais Securities (Asia) Limited (now known as CITIC CLSA Capital Markets Limited) from February 1997 to April 1999. Thereafter, he co-founded Trading Guru Securities Limited (now known as Orient Securities Limited) and acted as its chairman overseeing the entire operation from or around May 1999 to July 2004. Mr. Hung joined Kennen Investment Holdings Limited as a director overseeing investment projects in the PRC from January 2005 to January 2012. He is the co-founder of Keial Investment Holdings Limited overseeing the direction and investments since January 2012 and chief strategy officer of BWC Capital Markets Company Limited overseeing its business strategies in the PRC since February 2013.

Mr. Hung earned his Bachelor of Arts Degree with honours from Brown University with concentrations in history and organization, behavior and management (OBM) in May 1997. He is a Chartered financial analyst and a certified member of the institute of Certified Management Accountants of Australia.

Mr. Hung was a director of the following companies, which were dissolved or wound-up (but not due to members' voluntary winding-up) with details as follows:

Name of company	Place of incorporation	Nature of business immediately before dissolution	Means of dissolution	Date of incorporation	Date of dissolution
Momentum Eco Limited	Hong Kong	Dormant	Deregistration (Note)	15 November 1999	11 May 2001
Business Solution International Company Limited	Hong Kong	Dormant	Deregistration (Note)	19 March 1999	2 September 2005
Multiple Intelligence Consulting Limited	Hong Kong	Dormant	Deregistration (Note)	6 March 2002	30 December 2011
Netguru Company Limited	Hong Kong	Dormant	Deregistration (Note)	14 May 1999	23 September 2005

Note: Pursuant to section 291AA of the Predecessor Companies Ordinance, an application for deregistration can only be made if (a) all the members of such company agreed to such deregistration; (b) such company has never commenced business or operation, or has ceased to carry on business or ceased operation for more than three months immediately before the application; and (c) such company has no outstanding liabilities.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Hung confirmed that there was no wrongful act on his part leading to the above dissolution and winding-up of the companies and he was not aware of any actual or potential claim that had been or would be made against him as a result of the dissolution and winding-up of these companies.

Mr. Hung does not have other current or past directorships in any listed companies in the last three years.

Man Ka Ho Donald (文嘉豪), aged 40, was appointed as our independent non-executive Director on 16 November 2017 and is responsible for providing independent judgment to bear on issues of strategy, policy, performance, accountability, resources and standard conduct of our Company. His appointment as the chairman of our nomination committee and member of our audit committee and remuneration committee will take effect on the Listing Date.

Mr. Man earned his Bachelor of Science degree in Business Studies from The City University London, now known as the City, University of London, in United Kingdom in July 1998.

Mr. Man worked at K. C. Ho & Fong as a registered foreign lawyer from February 2004 to October 2011. From August 2009 to January 2010, he worked at Bangkok Smartcard Company Limited as an executive director. From January 2007 to January 2010, Mr. Man has worked at Hwa Kay Thai (Thailand) Company Limited as a director, VGI Global Media Limited as legal adviser and Bangkok Mass Transit System Public Company Limited as a legal adviser. Mr. Man is currently a registered foreign lawyer at Ince & Co's Hong Kong office since November 2011.

Mr. Man was admitted as a solicitor of the Supreme Court of England and Wales since September 2003.

Mr. Man has been an independent non-executive director of Kiddieland International Limited (stock code: 3830) since 31 August 2017. Save as disclosed, Mr. Man does not have other current or past directorships in any listed companies in the last three years.

Disclosure of relationships and as required under Rule 17.50(2) of the GEM Listing Rules

Save as disclosed above and elsewhere in this prospectus, each of our Directors (i) did not hold other positions in our Company or other members of our Group as at the Latest Practicable Date; and (ii) had no other relationship with any Directors, senior management, Controlling Shareholders or substantial Shareholders of our Company as at the Latest Practicable Date. As at the Latest Practicable Date, save as disclosed in the section headed "Substantial Shareholders" and the paragraph headed "C. Further information about Directors, and substantial Shareholders — 4. Disclosure of interests and short positions of our Directors and the chief executives of our Company in the shares, underlying shares or debentures of our Company and its associated corporations" in Appendix IV to this prospectus, each of our Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above and elsewhere in this prospectus, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matters with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules as at the Latest Practicable Date.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the Articles and the GEM Listing Rules, we have formed three board committees, namely the audit committee, the remuneration committee and the nomination committee.

Audit committee

Our Company established an audit committee pursuant to a resolution of our Directors passed on 16 November 2017 in compliance with Rule 5.28 of the GEM Listing Rules and with written terms of reference in compliance with paragraph C.3 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee include reviewing and supervising our Group's financial reporting system, monitoring the internal control procedures and risk management, reviewing our Group's financial information and the relationship with the external auditors of our Company, ensuring compliance with the relevant laws and regulations and performance of the corporate governance functions delegated by our Board.

The audit committee comprises three independent non-executive Directors, namely Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald. Mr. Ip Arnold Tin Chee is the chairman of the audit committee.

Remuneration committee

Our Company established a remuneration committee pursuant to a resolution of our Directors passed on 16 November 2017 in compliance with Rule 5.34 of the GEM Listing Rules with the written terms of reference in compliance with paragraph B.1 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the remuneration committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management and to establish a formal and transparent procedure for developing policy in relation to remuneration.

The remuneration committee comprises one executive Director, Ms. Bonnie Chan Woo, and three independent non-executive Directors, namely Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald. Mr. Hung Alan Hing Lun is the chairman of the remuneration committee.

DIRECTORS AND SENIOR MANAGEMENT

Nomination committee

Our Company established a nomination committee pursuant to a resolution of our Directors passed on 16 November 2017 with written terms of reference in compliance with paragraph A.5 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the nomination committee are to review the structure, size and composition and diversity of our Board and make recommendations to our Board on the appointment of our Directors and management of Board succession.

The nomination committee comprises one executive Director, Ms. Bonnie Chan Woo and three independent non-executive Directors, namely Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald. Mr. Man Ka Ho Donald is the chairman of the nomination committee.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Ms. Bonnie Chan Woo has been managing our Group's business and overall strategic planning since August 2002. Our Directors believe that the vesting of the roles of the chairperson of our Board and chief executive officer in Ms. Bonnie Chan Woo is beneficial to the business operations and management of our Group as it provides a strong and consistent leadership to our Group, and the current management has been effective in the development of our Group and implementation of business strategies under the leadership of Ms. Bonnie Chan Woo. In allowing the two roles to be vested in the same person, our Directors believe both positions require in-depth knowledge and considerable experience in our Group's business, and Ms. Bonnie Chan Woo is the most suitable person to take up both positions for effective management of our Group. Accordingly, our Company has not segregated the roles of chairperson of our Board and chief executive officer as required by Code Provision A.2.1 of Appendix 15 to the GEM Listing Rules. Save as disclosed above, our Company will comply with the Corporate Governance Code in Appendix 15 to the GEM Listing Rules.

Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code for each financial year and comply with the "comply or explain" principle in our corporate governance report, which will be included in our annual reports following Listing.

Our Directors confirmed that they are fully aware and understand the responsibilities, obligations and duties of a director of a listed company and our Group will provide such training from time to time after Listing to keep the Directors afresh with any changes to the GEM Listing Rules, if any.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table sets forth the information concerning our senior management:

<u>Name</u>	<u>Age</u>	<u>Present position</u>	<u>Responsibility</u>	<u>Date of joining our Group</u>
Cheung Suet Fun (張雪芬)	44	Senior director, head of operations management	Overseeing all revenue channels and business activities and supervising and managing our business development team	1 February 1998
Wong Leung Kit (王良傑)	31	Senior finance manager	Accounting and finance of our Group	19 December 2016
Wong Tik Lam (黃迺霖)	39	Director, head of business development	Formulating business development plans in Hong Kong and supervising and managing our business development team in Hong Kong	5 June 2006
Chan Wai Ngai (陳懷毅)	43	Director, head of printing, packaging and sourcing	Supervising and managing our sourcing team	9 May 2005

Cheung Suet Fun (張雪芬), aged 44, joined our Group in February 1998 as a production supervisor of Icicle Production and is currently the senior director, head of operations management. She is primarily responsible for overseeing all revenue channels and business activities, supervising and managing the business development team of our Group.

Ms. Cheung has been serving our Group for more than 18 years, witnessing our transformation from a print management company to a marketing production company. She earned a diploma in design (visual communication) from Institute of Vocational Education (Lee Wai Lee Technical Institute) in August 1995.

Ms. Cheung is also a director of Icicle Production, Icicle Print Management and Icicle Beijing.

Ms. Cheung does not have any current or past directorships in any listed companies in the last three years.

Wong Leung Kit (王良傑), aged 31, joined our Group in December 2016 as an accounting manager and is currently the senior finance manager. He is primarily responsible for the accounting and finance of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wong has over eight years of experience in the field of auditing, accounting and finance. Prior to joining our Group, he was employed as an assistant accountant by a garment manufacturing company from September 2009 to October 2010. From December 2010 to May 2015, Mr. Wong worked in the audit and assurance department of different accounting firms. From August 2015 to October 2016 he worked at Crowe Horwath (HK) CPA Limited with his last position as a deputy manager.

Mr. Wong earned a Bachelor of Business Administration degree in Accounting from The Open University of Hong Kong in June 2009. He has been a member of the Hong Kong Institute of Certified Public Accountants since September 2015.

Mr. Wong does not have any current or past directorships in any listed companies in the last three years.

Wong Tik Lam (黃迪霖), aged 39, joined our Group in June 2006 as an associate of client service and is currently the director, head of business development. He is primarily responsible for formulating business development plans in Hong Kong and supervising and managing our business development team in Hong Kong.

Mr. Wong worked in several industries prior to joining our Group. He gained experiences in sales by serving Learning Technologies (Hong Kong) Limited as a team leader of member consultant in the sales and marketing department from July 1999 to August 2001, Info Century Limited as a personal financial consultant from August 2001 to December 2002, ExcelNet Recruitment Services (HK) Limited as a tele-marketer from January 2003 to September 2003 and Winterthur Life as a tele-service officer from March 2004 to April 2005.

Mr. Wong earned a Higher Diploma in Hotel and Tourism Management from the Swiss School of Hotel and Tourism Management in Switzerland in May 1999 and a Bachelor of Arts degree in Hotel and Hospitality Management from the University of Strathclyde in Glasgow, United Kingdom in June 2004.

Mr. Wong does not have any current or past directorships in any listed companies in the last three years.

Chan Wai Ngai (陳懷毅), aged 43, joined our Group in May 2005 as a senior manager of production services of Icicle Production and is currently the director, head of printing, packaging and sourcing. He is primarily responsible for supervising and managing our sourcing team.

Mr. Chan has been serving our Group for over 12 years and has participated in the development of our Group. Prior to joining our Group, Mr. Chan gained his experience in the printing industry from working in a printing company in Hong Kong for approximately eight years. He graduated from a secondary school in Hong Kong in 1994.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chan does not have any current or past directorships in any listed companies in the last three years.

COMPANY SECRETARY

Ms. Tsui Sum Yi (徐心兒), was appointed as our company secretary on 3 April 2017. Ms. Tsui is currently a senior associate at Vistra (Hong Kong) Limited, where she is responsible to provide a full range of company secretarial and compliance services to listed and private companies including drafting and reviewing annual and interim reports. Ms. Tsui earned her bachelor of business administration degree in corporate administration and a master of corporate governance degree from the Open University of Hong Kong in June 2010 and June 2013, respectively. Ms. Tsui is an associate member of The Institute of Chartered Secretaries and Administrators and an associate member of The Hong Kong Institute of Chartered Secretaries.

Ms. Tsui has over nine years of company secretarial experience. Before joining Vistra (Hong Kong) Limited in October 2015, she worked as an assistant in the secretarial division of Kingston C.P.A. Limited from June 2007 to May 2010, a company secretary in Gary Cheng Secretaries Limited from May 2010 to October 2011, a secretarial officer in KCS Hong Kong Limited from November 2011 to October 2014 and a company secretarial officer in Country Garden Group from January 2015 to September 2015.

As Ms. Tsui is supported by different designated teams of professional staff within Vistra (Hong Kong) Limited, she is confident that she is able to allocate sufficient time and has professional resources to perform her role as the company secretary of our Company.

Ms. Tsui does not act as an individual employee of our Company, but as an external service provider in respect of the proposed appointment of Ms. Tsui as the company secretary of the Company. Pursuant to paragraph F.1.1 of the Corporate Governance Code, an issuer can engage an external service provider as its company secretary, provided that issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. While our Company is well aware of the importance of the company secretary in supporting our Board on governance matters, our Company, after having considered Ms. Tsui's experience, both our Company and Ms. Tsui are of the view that there will be sufficient time, resources and supporting for fulfilment of the company secretary requirements of our Company.

In view of Ms. Tsui's experience in company secretarial matters in listed companies, our Directors believe that Ms. Tsui has the appropriate expertise for the purpose of Rule 5.14 of the GEM Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE OFFICER

Woo Chan Tak Chi Bonnie (胡陳德姿), aged 41, was appointed as the compliance officer (Rule 5.19 of the GEM Listing Rules) of our Company on 3 April 2017. Please refer to paragraph headed “Directors — Executive Director” in this section for details of the qualification and experience of Ms. Bonnie Chan Woo.

REMUNERATION OF DIRECTORS, SENIOR MANAGEMENT AND STAFF

During the two years ended 31 December 2016 and the five months ended 31 May 2017, the aggregate amount of compensation paid (including salaries and allowances, discretionary bonus, defined contribution) by our Group to our five highest paid individuals were approximately HK\$3.3 million, HK\$3.3 million and HK\$1.5 million, respectively.

Our executive Director is also an employee of our Company and receives, in her capacity as an employee of our Company, compensation in the form of salaries, allowances and benefits in kind and discretionary bonus. Our Company reimburses our executive Director for expenses which are necessarily and reasonably incurred for providing services to our Company or executing her functions in relation to the operations of our Company.

During the two years ended 31 December 2016 and the five months ended 31 May 2017, the aggregate amount of compensation paid (including fees, salaries, allowances, benefits in kind, discretionary bonuses and defined contribution) by our Group to our Directors were approximately HK\$0.2 million, HK\$0.2 million and HK\$0.2 million, respectively.

Our Directors’ remuneration is determined with reference to salaries paid by comparable companies, experience, responsibilities, workload, the time devoted to our Group, individual performance and the performance of our Group. Details of the terms of the service contract are set out in the paragraph headed “C. Further information about our Directors and substantial Shareholders — 1. Particulars of Directors’ service contract and letters of appointment” in Appendix IV to this prospectus. Under the arrangements currently in force, the aggregate remuneration and benefits in kind of our Directors paid or payable (excluding any commission or discretionary bonus) in respect of the year ending 31 December 2017 is estimated to be approximately HK\$0.6 million (including remuneration paid to our Directors of approximately HK\$0.2 million for the five months ended 31 May 2017).

During the Track Record Period, no remuneration was paid by our Group to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Group. No compensation was paid by our Group to, or receivable by, our Directors, past Directors or the five highest paid individuals during the Track Record Period for the loss of any office in connection with the management of the affairs of any member of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed in this prospectus, no Director has been paid in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for service rendered by him/her in connection with the promotion or formation of us.

None of our Directors waived or agreed to waive any emoluments during the Track Record Period. Save as disclosed in this paragraph headed “Remuneration of Directors, senior management and staff”, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors and the five highest paid individuals during the Track Record Period.

REMUNERATION POLICY

Our Directors and senior management receive compensation in the form of salaries, allowances and benefits in kind and discretionary bonus with reference to those paid by comparable companies, experience, responsibilities of our Directors and senior management and performance of our Group. Our Group also reimburses our Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to our Group or executing their functions in relation to the operations of our Group. We regularly review and determine the remuneration and compensation packages of our Directors and senior management, by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of our Directors and the performance of our Group.

After Listing, the remuneration committee of our Company will review and determine the remuneration and compensation packages of our Directors with reference to their responsibilities, experience and the performance of our Group. Our Directors may also receive options to be granted under the Share Option Scheme. The principal terms of the Share Option Scheme are summarised under the paragraph headed “D. Other information — 1. Share Option Scheme” in Appendix IV to this prospectus.

COMPLIANCE ADVISER

Our Company has appointed Ballas Capital Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. Pursuant to Rule 6A.23 of the GEM Listing Rules, the compliance adviser will advise us in the following circumstances:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including shares issues and share buy-back;
- (c) where our Company proposes to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where our business activities, developments or results deviates from any forecast, estimate or other information in this prospectus; and

DIRECTORS AND SENIOR MANAGEMENT

- (d) where the Stock Exchange makes any enquiry to our Company under Rule 17.11 of the GEM Listing Rules.

The term of the appointment of the Compliance Adviser shall commence on the Listing Date and end on the date on which we comply with Rule 18.03 of the GEM Listing Rules in respect of our financial results for the second full financial year commencing after the Listing Date.

The compliance adviser shall provide us with services, including guidance and advice as to compliance with the requirements under the GEM Listing Rules and applicable laws, rules, codes and guidelines, and to act as one of our principal channels of communication with the Stock Exchange.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

Explorer Vantage is a company incorporated in the BVI with limited liability and wholly-owned by Ms. Bonnie Chan Woo. Immediately upon completion of the Capitalisation Issue and the Share Offer (without taking into account of any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), Explorer Vantage will hold 57.75% of our issued share capital. Accordingly, Ms. Bonnie Chan Woo and Explorer Vantage (the latter one being investment holding company), are our Controlling Shareholders. For more information relating to Ms. Bonnie Chan Woo, please see the paragraph headed “Directors and senior management — Directors — Executive Director” in this prospectus.

DELINEATION OF BUSINESS

Business of our Group

Our Group is a marketing production company headquartered in Hong Kong with a focus on printing, packaging and sourcing. We design, create and produce marketing and branding materials and contents in Hong Kong and the PRC to clients who are international and local brand owners, including global financial institutions, luxury brand retailers and local retail chain stores. Please refer to the section headed “Business” in this prospectus for details of our business model.

Excluded business engaged by our Controlling Shareholder

(1) *NewspaperDirect*

NewspaperDirect is a company incorporated in Hong Kong with limited liability on 21 January 2008 and is directly owned by Mr. Darrin Woo, the spouse of Ms. Bonnie Chan Woo, our Controlling Shareholder, and an Independent Third Party as to 51% and 49%, respectively. NewspaperDirect is primarily engaged in the distribution of out-of-market newspapers to customers in Hong Kong. Save for the fact that Icicle Production has been, and will continue following Listing, to provide, among other things, print-on-demand production management and administrative services to NewspaperDirect, details of which are set out in the section headed “Connected transactions” in this prospectus, the business of NewspaperDirect does not overlap with any business operations of our Group.

Management

Except for Ms. Bonnie Chan Woo, our executive Director and Controlling Shareholder, who is also a director of NewspaperDirect, as of the Latest Practicable Date, none of our Directors held any directorship or senior management roles with NewspaperDirect. Proper arrangements will be implemented so that there will be no overlapping directors of our Company and NewspaperDirect, except for Ms. Bonnie Chan Woo who will remain as a director of NewspaperDirect.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Comparison of financial information between our Group and NewspaperDirect

	For the year ended 31 December				For the five months ended 31 May	
	2015		2016		2017	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	HK\$'000	%	HK\$'000	%	HK\$'000	%
<i>Revenue</i>						
— Our Group	85,676		90,955		28,287	
— NewspaperDirect	1,313	1.5	1,076	1.2	298	1.1
<i>Profit/(loss) after tax for the year/period</i>						
— Our Group	5,678		9,144		(3,785)	
— NewspaperDirect	410	7.2	224	2.4	22	N/A
<i>Total assets</i>						
— Our Group	52,493		58,051		48,126	
— NewspaperDirect	1,130	2.2	684	1.2	622	1.3

Reason for non-inclusion of NewspaperDirect

Our Directors are of the view that (i) NewspaperDirect is of a relatively minimal size compared with the size of our Group in terms of revenue and profit after tax for each of the two years ended 31 December 2016 and the five months ended 31 May 2017; (ii) NewspaperDirect is engaged in the distribution of out-of-market newspapers to customers in Hong Kong which are different target customers from our Group; and (iii) there is no overlap of business operations between our Group and NewspaperDirect, save for the provision of, among other things, print-on-demand production management and administrative services to NewspaperDirect, which will constitute a continuing connected transaction after Listing.

Our Directors are of the view that the business of NewspaperDirect has no competition, either directly or indirectly, with our Group's business, and our Group has no intention to expand into the business of distribution of out-of-market newspapers and magazines, as we will continue to operate under substantially the same business model and implement the business strategies as set out in the paragraph headed "Business — Business strategies" in this prospectus after Listing. Accordingly, there is a clear delineation between the businesses of our Group and NewspaperDirect.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

(2) *Studio SV*

Studio SV is a company incorporated in Hong Kong on 22 May 2017. As at the Latest Practicable Date, it was owned as to 50% each by Explorer Vantage (which is in turn owned by Ms. Bonnie Chan Woo, the chairperson of our Board, chief executive officer, executive Director and a Controlling Shareholder) and Skill House Group Limited (which is owned by Mr. Wasalu Muhammad Jaco), respectively. Explorer Vantage entered into a shareholders' agreement with Skill House Group Limited in September 2017 (the "**Shareholders' Agreement**"). Mr. Wasalu Muhammad Jaco, also known as Lupe Fiasco, is an American music artist.

Studio SV is principally engaged in the business of creating, producing, financing, licencing original TV content, format and intellectual property rights for the global market. Based on the Shareholders' Agreement, it is intended that upon the establishment of the joint venture, Studio SV will be involved in the development, creation and production of a television and online content series featuring Lupe Fiasco. Studio SV will also fully own and control the resulting brand of the said series, which encompasses all associated elements, copyrights and intellectual properties derived from the show. It is intended that the actual production activities will be outsourced to production houses such as our Group and Studio SV will only be focusing on commercial exploitation such intellectual property rights and market and sell such rights to cable and satellite television networks and online service providers who provide on-demand television shows and movies to viewers. In addition, Studio SV will be entitled to exclusively manage and develop Lupe Fiasco's non-music on-screen performance career (including but not limited to scripted and non-scripted television, online or on-screen motion contents, films, animation, on-screen sponsorships and video games that are not directly related with music) for a period of three years from 1 August 2017 to 31 July 2020. Save for the fact that Icicle Production has been, and will continue following Listing, to provide, among other things, marketing and video production services to Studio SV, details of which are set out in the section headed "Connected transactions" in this prospectus, the business of Studio SV does not overlap with any business operations of our Group.

Management

Except for Ms. Bonnie Chan Woo, our executive Director and Controlling Shareholder, who is also a director of Studio SV, as of the Latest Practicable Date, none of our Directors held any directorship or senior management roles with Studio SV. Proper arrangements will be implemented so that there will be no overlapping directors of our Company and Studio SV, except for Ms. Bonnie Chan Woo who will remain as a director of Studio SV.

Comparison of financial information between our Group and Studio SV

Given that Studio SV has only been recently established, it has yet to commence revenue generating business.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Reasons for non-inclusion of Studio SV

Our Directors have considered the following reasons and concluded that it is not in the interests of the shareholders of our Company to include Studio SV into our Group:

- (i) our Group is predominately engaged in the business of marketing production services which includes overall project management and marketing production services to meet clients' marketing and brand building requirements. We intend to continue to focus on this core business in the near future. Given that our Group has established our business, reputation, clientele and core management expertise for more than 18 years in Hong Kong and in view of our intention in focusing and allocating our resources on the operations and expansion on our marketing production services, especially in the higher margin business service of social media marketing and original content production services, our Directors believe that any scale of expansion of Studio SV which has a different business focus from our Group may dilute our Group's resources and may affect our Group's operations;
- (ii) the business nature of Studio SV is different from our Group and such business is new and without successful track records. Studio SV is focusing in the entertainment industry while our Group is focusing in the industry of marketing production services. There is currently no intention for Studio SV to be involved in the production activities for its original TV content as it intends to outsource such production activities to production houses such as our Group and will only be focusing on the business of financing and licensing of original TV content and the associated spin-offs for commercial exploitation. In other words, Studio SV will be owning the intellectual property rights of the original TV content, format and intellectual property rights which it engages production houses to produce without involving in the actual production;
- (iii) there is no overlapping customers as our Group's target customers are international and local brand owners, including global financial institutions, luxury brand retailers and local retail chain stores who purchase marketing production services while the target customers of Studio SV are video-on-demand platforms, social media platforms who purchase distribution or licensing rights; and
- (iv) save for the provision by our Group of, among other things, marketing and video production services to Studio SV, which will constitute a continuing connected transaction after Listing, there is no overlapping of business operations between our Group and Studio SV as our Group is focusing in producing of video content for branding and marketing purposes while Studio SV is focusing in producing TV and online content series for entertainment purposes.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Accordingly, our Directors are of the view that the business of Studio SV has no competition, either directly or indirectly, with our Group's business, and our Group has no intention to expand into the business of Studio SV as we will continue to operate under substantially the same business model and implement the business strategies as set out in the section headed "Business — Business strategies" in this prospectus after Listing. Accordingly, there is a clear delineation between the businesses of our Group and Studio SV.

In addition, Studio SV has also undertaken in favour of our Company that it will not be engaged in the business of marketing production services which includes overall project management and marketing production services of similar nature, functions and/or purposes from now and after Listing, which has or will likely have direct competition with our Group's existing business without our Company's prior written approval. Hence, there is no direct competition between Studio SV and our Group.

Other business interests of our Directors

Save as disclosed in this prospectus, as at the Latest Practicable Date, Ms. Bonnie Chan Woo and Mr. Evan Chow also held ownership and/or directorship in the following companies:

Ms. Bonnie Chan Woo

<u>Name of the company</u>	<u>Place of incorporation/ establishment</u>	<u>Principal business as at the Latest Practicable Date</u>	<u>Directorship</u>	<u>Shareholding interests</u>
celebratethemakers Limited	Hong Kong	No operation <i>(Note 1)</i>	Yes	62% <i>(Note 2)</i>
廣州冰雪商務服務有限公司 (Icicle (Guangzhou) Print Management Limited*)	PRC	No operation <i>(Note 3)</i>	Yes	56% <i>(Note 4)</i>
Studio SV	Hong Kong	Creation, production, financing and licencing original TV content, format and intellectual property rights for global market <i>(Note 5)</i>	Yes	50% <i>(Note 6)</i>

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Mr. Evan Chow

<u>Name of the company</u>	<u>Place of incorporation/ establishment</u>	<u>Principal business as at the Latest Practicable Date</u>	<u>Directorship</u>	<u>Shareholding interests</u>
celebratethemakers Limited	Hong Kong	No operation ^(Note 1)	Yes	11%

Notes:

1. During the Track Record Period and up to 14 February 2017, celebratethemakers Limited was engaged in the sale of quality bespoke stationery and provision of custom printing services. celebratethemakers Limited has ceased its operations since 14 February 2017 after completion of the transfer of inventories and property, plant and equipment from celebratethemakers Limited to Icicle Production. Its board of directors intends to apply for the deregistration of celebratethemakers Limited after certain administrative procedures have been completed.
2. Such interest in celebratethemakers Limited is owned by Nature Trails Services Limited which, in turn, is wholly-owned by Mr. Darrin Woo, the spouse of Ms. Bonnie Chan Woo.
3. Icicle (Guangzhou) Print Management Limited* was established as a special purpose vehicle to undertake a project in relation to the Asian Games 2010 in Guangzhou. Save for the aforementioned project, it did not carry on any other business activity before its deregistration. Icicle (Guangzhou) Print Management Limited* did not generate any revenue during the Track Record Period, and it was deregistered on 30 June 2016.
4. Icicle (Guangzhou) Print Management Limited* was deregistered on 30 June 2016. Immediately prior to the deregistration, Ms. Bonnie Chan Woo and her family members indirectly controlled 56% interest in Icicle (Guangzhou) Print Management Limited*.
5. Studio SV was recently incorporated on 22 May 2017 and it has yet to commence revenue generating business.
6. Studio SV is owned as to 50% by Explorer Vantage and is thus indirectly 50% owned by Ms. Bonnie Chan Woo. The remaining 50% shareholding in Studio SV is owned by an Independent Third Party.

Reason for non-inclusion

As 廣州冰雪商務服務有限公司 (Icicle (Guangzhou) Print Management Limited*) was deregistered in June 2016 and celebratethemakers Limited has no business operation, our Directors are of the view that it is not in the interest of our Group and our Shareholders to include these companies into our Group.

Our Directors confirmed that NewspaperDirect, Studio SV, celebratethemakers Limited and 廣州冰雪商務服務有限公司 (Icicle (Guangzhou) Print Management Limited*) had no material regulatory non-compliance during the Track Record Period.

* For identification purpose only

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we will be able to operate independently from our Controlling Shareholders and their respective close associates (other than our Group) upon the Listing for the following reasons:

Management independence

Our Board comprises one executive Director, one non-executive Director and three independent non-executive Directors. As at the Latest Practicable Date, other than Ms. Bonnie Chan Woo, who is the sole director of Explorer Vantage, there was no overlap of executive Director and members of the senior management between our Group and Explorer Vantage. Each of our Directors is aware of her/his fiduciary duties as a Director which require, among other things, that she/he acts for the benefit and in the best interests of our Company and does not allow any conflict between her/his duties as a Director and her/his personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum. Having considered the above factors, our Directors are satisfied that they are able to perform their roles in our Company independently, and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders following completion of the Share Offer.

Operational independence

Our Directors consider that our operations do not depend on our Controlling Shareholders for the following reasons:

- (i) there is no competing business between our Group and any of our Controlling Shareholders and their respective close associates;
- (ii) none of our Directors and their respective close associates has an interest in any business which competes or is likely to compete, either directly or indirectly, with our business; and
- (iii) we have our own independent operation capabilities and independent access to customers and vendors and have not entered into any connected transactions with any connected person of our Group save for the continuing connected transactions that will continue after the Listing as set out in the section headed “Connected transactions” in this prospectus, which have been entered into and will continue to be entered into on normal commercial terms and in our ordinary course of business, and the revenue derived or expected to be derived from such continuing connected transactions are not material to our Group.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Group, our Controlling Shareholders and their respective close associates do not have any common, nor shared, facilities or resources during the Track Record Period and up to the Latest Practicable Date.

On the basis of the matters described in this section, we believe that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates (other than our Group).

Financial independence

We are financially independent of our Controlling Shareholders and their respective close associates. We have sufficient capital to operate our business independently, and have adequate resources to support our daily operations. In addition, our Group has an independent credit approval system and makes financial decisions according to our own business needs. Our Directors confirmed that, as at the Latest Practicable Date, none of the Controlling Shareholders or their respective close associates had provided any loans, guarantees or pledges to our Group. Our Directors also confirmed that, as at the Latest Practicable Date, our Group did not provide any loans, guarantees or pledges to our Controlling Shareholders or their respective close associates.

Our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates (other than our Group) after the Listing.

Independence of major suppliers

Our Directors confirmed that none of our Controlling Shareholders, our Directors and their respective close associates, had any relationship with the major suppliers of our Group (other than the business contacts in the ordinary and usual course of business of our Group) during the Track Record Period and up to the Latest Practicable Date.

Independence of major customers

Our Directors confirmed that none of our Controlling Shareholders, our Directors and their respective close associates, had any relationship with the major customers of our Group (other than the business contacts in the ordinary and usual course of business of our Group) during the Track Record Period and up to the Latest Practicable Date.

RULE 11.04 OF THE GEM LISTING RULES

Our Controlling Shareholders, Directors and their respective close associates confirmed that apart from the business of our Group, they do not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and would require disclosure under Rule 11.04 of the GEM Listing Rules.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

DEED OF NON-COMPETITION

To eliminate or reduce the prospect of conflicts of interests between our Group and our Controlling Shareholders, our Company and our Controlling Shareholders entered into the Deed of Non-competition to the effect that, at any time during which our Shares are listed on GEM and for so long as our Controlling Shareholders and its associate together hold 30% (or such other amount as may from time to time be deemed to constitute control pursuant to the Takeovers Code) or more of the voting power in general meetings of our Company:

- (i) Our Controlling Shareholders will not:
 - (a) and will procure each of their respective close associates (other than our Group) not to engage in, on their own account or with each other or in conjunction with or on behalf of any person, firm or company, carry on or be engaged in, concerned with or interested in, directly or indirectly, whether as a shareholder (other than as a direct or indirect Shareholder or shares of our subsidiaries), partner, agent or otherwise, any Restricted Business within the Territory without our Company's prior consent unless otherwise agreed in writing by our Company (which decision should be given by an independent board committee comprising all of our independent non-executive Directors only without the participation of the non-executive Director nominated by our Controlling Shareholders or other executive Directors);
 - (b) solicit, interfere with or endeavour to entice away from our Group any firm, company or organisation who to their knowledge is from time to time or has at any time within the immediate past two years before the date of the prospectus been a customer or supplier of our Group;
 - (c) at any time employ any person who has been a director, manager, employee or our consultant to our Group who is or may likely to be in possession of any confidential information or trade secrets relating to our Group's business; and
 - (d) directly or indirectly solicit or persuade any person who has dealt with our Group or is in the process of negotiating with our Group in relation to our Group's business or cease to deal with our Group or reduce the amount of business which the person would normally do with our Group.
- (ii) "**Restricted Business**" would be defined as the business of marketing production services.
- (iii) The "**Territory**" would extend to Hong Kong and the PRC.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (iv) In the event that any opportunity is made available to our Controlling Shareholders to invest in any independent third party business which is engaged in the Restricted Business within the Territory (an “**Investment Opportunity**”), our Controlling Shareholders shall procure that such Investment Opportunity is first referred to our Group in the following manner:
- (a) Our Controlling Shareholders are required to, and will procure their respective close associates (other than any members of our Group) to, refer, or to procure the referral of, the Investment Opportunity to our Group, and shall as soon as possible give written notice to our Group of any Investment Opportunity containing all information reasonably necessary for our Group to consider whether (1) such Investment Opportunity would constitute competition with our business; and (2) it is in the interest of our Group to pursue such Investment Opportunity (including, but not limited to, the nature of the Investment Opportunity and the details of the investment or acquisition costs) (the “**Offer Notice**”).
 - (b) After receipt of the Offer Notice, an independent board committee comprising all of our independent non-executive Directors only (without the participation of the non-executive Director nominated by our Controlling Shareholders or other executive Directors) will consider the Investment Opportunity. When considering whether or not to pursue an Investment Opportunity, the independent board committee of our Company will consider whether the relevant business opportunities are expected to present a sustainable level of profitability, accord with the then current development strategy of our Group, and in other respects would be in the best interests of our Shareholders as a whole. The independent board committee of our Company may appoint an independent financial adviser or other professional advisers at our cost to advise it in respect of the Investment Opportunity. Our Controlling Shareholders will provide all information reasonably required by such independent board committee, independent financial adviser and/or other professional advisers to assist them in their assessment of the Investment Opportunity. The independent board committee of our Company will have 28 calendar days (or if an independent financial adviser and/or other professional advisers are appointed, 42 calendar days) (or in each case, such longer period of time as may be reasonably requested by the independent board committee) since the date of the Offer Notice to consider whether the Investment Opportunity should be pursued. The independent board committee shall notify our Controlling Shareholders in writing of its decision to pursue or not to pursue the Investment Opportunity.
 - (c) Our Controlling Shareholders will be entitled to pursue the Investment Opportunity only if (1) our Controlling Shareholders have received a notice from the independent board committee of our Company declining the Investment Opportunity and confirming that such Investment Opportunity would not constitute competition with our business, or (2) our Controlling Shareholders have not

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

received such notice from the independent board committee of our Company within the period of time specified in (b) above from our Company's receipt of the Offer Notice.

- (d) Our Controlling Shareholders have undertaken that, if our Company decides not to pursue the Investment Opportunity and our Controlling Shareholders and/or her/its close associates (other than any members of our Group) are entitled to pursue the Investment Opportunity, they will grant our Group or procure our Controlling Shareholders' close associates (other than any members of our Group) to grant our Group an option to acquire any of new business pursuant to the Investment Opportunity. The exercise of such option is subject to our Company's corporate governance requirements. In the event that our Controlling Shareholders or any of its close associates (other than any members of our Group) intend to sell, assign or in any way dispose to a third party any new business pursuant to the Investment Opportunity, the seller will first offer to our Group the right to acquire such new business. None of our Controlling Shareholders or their respective close associates (other than any members of our Group) may proceed with the sale, assignment or otherwise disposal of such new business pursuant to the Investment Opportunity to any third party, unless the terms of sale, assignment or disposal are no more favourable than those offered to our Company, following the rejection to acquire such new business by our Company.

- (v) The restrictions which our Controlling Shareholders have agreed to undertake, as mentioned above, do not apply to the following:
 - (a) the Restricted Business conducted through having, directly or indirectly, any interests in the shares of any members of our Group; or

 - (b) our Controlling Shareholders or any of their respective close associates holding or being interested in shares or other securities in any company which conducts or is engaged in any Restricted Business (a "**Subject Company**") provided that such shares or securities are held for investment purposes and are, or are proposed to be listed on any internationally recognised stock exchange and:
 - (1) the aggregate equity interest or number of shares held by our Controlling Shareholders and their respective associates are less than 5% of the issued capital or issued shares of such Subject Company and only if there are independent third parties holding larger shareholdings in such Subject Company than our Controlling Shareholders and their respective associates; and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (2) do not confer rights to be involved directly or indirectly with the operations of such Subject Company such that our Controlling Shareholders and their respective associates do not have representative in the board or management of Subject Company,

so that our Controlling Shareholders are not able to assert any influence over such Subject Company under any accounting treatment and/or control under the GEM Listing Rules and/or the Takeovers Code on such Subject Company.

CORPORATE GOVERNANCE MEASURES ON ACTUAL/POTENTIAL CONFLICTS OF INTERESTS

Our Company is committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong element on our Board which can effectively exercise independent judgment. Our Company is also committed to the view that our independent non-executive Directors should be of sufficient calibre and number for their views to carry weight.

Each of our Controlling Shareholders has also undertaken to provide an annual confirmation to our Company confirming that she/it has not breached the terms of the Deed of Non-competition (including without limitation that she/it has offered any Investment Opportunity to our Group as and when required under the Deed of Non-competition), and to provide all information necessary for the annual review by our independent non-executive Directors on the enforcement of the Deed of Non-competition. Our Controlling Shareholders will make an annual declaration on compliance with the undertaking under the Deed of Non-competition in the annual report of our Company.

Our Company will adopt the following measures to strengthen the corporate governance practice and to safeguard the interests of our Shareholders:

- (i) the Articles provide that except for a few exceptions set out in Note 5 to Appendix 3 to the GEM Listing Rules, a Director shall not vote nor shall he/she be counted in the quorum on any resolutions of our Board approving any contract or arrangement or other proposal in which he/she or any of his/her associates is material interested;
- (ii) appointment of Ballas Capital Limited as our compliance adviser to advise us on the compliance matters in respect of the GEM Listing Rules;
- (iii) our independent non-executive Directors will be responsible for considering and deciding as to whether to pursue or decline the Investment Opportunity;
- (iv) if appropriate, our independent non-executive Directors may appoint independent financial advisers to assist in the decision-making process in relation to such Investment Opportunity;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (v) the independent non-executive Directors will review, on an annual basis, the compliance with the Deed of Non-competition by our Controlling Shareholders;
- (vi) our Controlling Shareholders undertake to provide, all information requested by our Company which is necessary for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-competition;
- (vii) our Company will disclose decisions on matters reviewed by our independent non-executive Directors relating to compliance and enforcement of the Deed of Non-competition by our Controlling Shareholders in the annual reports of our Company; and
- (viii) our Controlling Shareholders will make an annual declaration on compliance with the Deed of Non-competition in the annual report of our Company.

With the measures set out above, our Directors believe that the interest of our Shareholders will be protected.

CONNECTED TRANSACTIONS

OVERVIEW

Pursuant to Chapter 20 of the GEM Listing Rules, our Directors, substantial Shareholders and chief executive or those of our subsidiaries, any person who was our Director or a director of our subsidiaries within 12 months preceding the Listing Date, and any of their respective associates will become a connected person of our Company upon Listing. Upon Listing, our transactions with such connected persons will constitute connected transactions of our Company under Chapter 20 of the GEM Listing Rules. Our Directors confirmed that the following transaction with our connected person will continue and will constitute a continuing connected transaction of our Company under Chapter 20 of the GEM Listing Rules upon Listing.

EXEMPT CONNECTED TRANSACTIONS

(1) NewspaperDirect

On 16 November 2017, Icicle Production, our wholly-owned subsidiary, has entered into the following transaction with NewspaperDirect, which is owned by the spouse of Ms. Bonnie Chan Woo as to 51% and hence a connected person of our Company upon Listing. Following the Listing Date, the transaction will be regarded as a continuing connected transaction exempt from the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. Details of the continuing connected transaction are set out below.

Provision of printing and administrative services

(a) *Relationship with our Company*

NewspaperDirect is a company owned by Mr. Darrin Woo, the spouse of Ms. Bonnie Chan Woo, the chairperson of the Board, chief executive officer, executive Director and a Controlling Shareholder, as to 51%. Accordingly, NewspaperDirect, being an associate of Ms. Bonnie Chan Woo, is a connected person of our Company upon Listing under Rule 20.07(4) of the GEM Listing Rules.

(b) *Description of the transaction*

NewspaperDirect is principally engaged in the distribution of out-of-market newspapers. Icicle Production has been, and will continue following Listing, to provide, among other things, print-on-demand production management and administrative services to NewspaperDirect (the "**Services**"). On 16 November 2017, Icicle Production entered into a service agreement with NewspaperDirect, pursuant to which Icicle Production has agreed to provide the Services to NewspaperDirect for a term commencing from the Listing Date to 31 December 2019 (the "**Service Agreement**").

CONNECTED TRANSACTIONS

(c) *Pricing policy*

In consideration of provision of the Services, NewspaperDirect shall pay a fee in a fixed amount which will be determined based on arm's length negotiations with reference to the scale, complexity and time schedule of a particular project, the estimated time expected to be spent by our staff on the projects, costs of relevant production materials, any subcontracting fees to be paid and prevailing market rate of similar services offered in the industry. Our Group will seek quotations from at least three Independent Third Parties suppliers, such as paper suppliers, and subcontractors to ensure that certain level of profit margin can be maintained throughout the term of the Service Agreement and will take into account, among other things, the reputation, quality and reliability of such suppliers and subcontractors when determining whether to source any goods or services from them. In addition to the above, we will review the agreed price list for material costs under the Service Agreement on an annual basis and adjust the agreed price list accordingly after obtaining written consent from NewspaperDirect to ensure that our overall fees and other terms are fair, reasonable and comparable with prevailing market practices and no less favourable to other customers who are Independent Third Parties for engaging us to provide similar services.

Our Directors considered that the continuing connected transaction under the Service Agreement and the proposed annual service fees thereof are in the ordinary and usual course of business of our Company, on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole.

(d) *Historical transaction amounts and annual caps on future transaction amounts*

The amounts we received from NewspaperDirect were approximately HK\$743,000, HK\$694,000 and HK\$215,000 for the two years ended 31 December 2016 and the five months ended 31 May 2017, respectively.

The annual service fee payable by NewspaperDirect to us for each of the financial years ending 31 December 2017, 2018 and 2019 is not expected to exceed HK\$1.0 million, HK\$1.1 million and HK\$1.2 million, respectively. In arriving at the annual caps, our Directors have considered the estimated fees to be charged by Icicle Production for the provision of the Services with reference to (i) the historical transaction amounts during the Track Record Period; (ii) the estimated number of jobs as discussed with NewspaperDirect; and (iii) the estimated scale of fees to be charged by our Group, taking into consideration of factors such as the potential increase in material and labour costs and inflation rate.

(2) Studio SV

On 16 November 2017, Icicle Production, our wholly-owned subsidiary, has entered into the following transaction with Studio SV, which is owned as to 50% by Explorer Vantage and thus indirectly 50% owned by Ms. Bonnie Chan Woo and hence a connected person of our Company upon Listing. Following the Listing Date, the transaction will be regarded as a continuing

CONNECTED TRANSACTIONS

connected transaction exempt from the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. Details of the continuing connected transaction are set out below.

Provision of marketing and video production services

(a) *Relationship with our Company*

Studio SV is a company incorporated in Hong Kong on 22 May 2017, which is owned as to 50% by Explorer Vantage and thus indirectly 50% owned by Ms. Bonnie Chan Woo, the chairperson of our Board, chief executive officer, executive Director and a Controlling Shareholder. Accordingly, Studio SV, being an associate of Ms. Bonnie Chan Woo, is a connected person of our Company upon Listing under Rule 20.07(4) of the GEM Listing Rules.

(b) *Description of the transaction*

Studio SV is principally engaged in the business of creating, producing, financing, licencing original TV content, format and intellectual property rights for a global market. Icicle Production has been, and will continue following Listing, to provide marketing and video production services to Studio SV (the “**Marketing and Video Production Services**”). On 16 November 2017, Icicle Production entered into a service agreement with Studio SV, pursuant to which Icicle Production has agreed to provide the Marketing and Video Production Services to Studio SV for a term commencing from the Listing Date to 31 December 2019 (the “**Marketing and Video Production Service Agreement**”).

(c) *Pricing policy*

In consideration of provision of the Marketing and Video Production Services, Studio SV shall pay a fee in a fixed amount which will be determined based on arm's length negotiations with reference to the scale, complexity and time schedule of a particular project, the estimated time expected to be spent by our staff on the projects, costs of relevant production materials, any subcontracting fees to be paid and the then prevailing market rate of similar services offered in the industry. Our Group will seek quotations from at least three Independent Third Parties suppliers and/or subcontractors to ensure that certain level of profit margin can be maintained throughout the term of the Marketing and Video Production Service Agreement and will take into account, among other things, the reputation, quality and reliability of such subcontractors when determining whether to source any services from them. In addition to the above, we are entitled to review the rate of fees under the Marketing and Video Production Service Agreement on an annual basis and adjust such rate of fees accordingly after obtaining written consent from Studio SV to ensure that our overall fees and terms are fair, reasonable, comparable with prevailing market practices and no less favourable to other customers who are Independent Third Parties for engaging us to provide similar services.

CONNECTED TRANSACTIONS

Our Directors considered that the continuing connected transaction under the Marketing and Video Production Service Agreement and the proposed annual service fees thereof are in the ordinary and usual course of business of our Company, on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole.

(d) *Historical transaction amounts and annual caps on future transaction amounts*

As we have only commenced providing the Marketing and Video Production Services to Studio SV in June 2017, we did not have any transactions with Studio SV during the Track Record Period.

The annual service fee payable by Studio SV to us for each of the financial years ending 31 December 2017, 2018 and 2019 is not expected to exceed HK\$2.5 million, HK\$3.0 million and HK\$3.0 million, respectively. In arriving at the annual caps, our Directors have considered the estimated fees to be charged by Icicle Production for the provision of the Marketing and Video Production Services with reference to (i) the estimated number of jobs as discussed with Studio SV; and (ii) the estimated scale of fees to be charged by our Group, taking into consideration of factors such as the potential increase in material and labour costs and inflation rate.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined in Rule 19.07 of the GEM Listing Rules calculated with reference to the annual caps on an annual basis, is less than 5% (and the annual consideration is less than HK\$3.0 million), the transactions contemplated under the Service Agreement and the Marketing and Video Production Service Agreement will fall within the exemption under Rule 20.74(1) of the GEM Listing Rules and be fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements.

INTERNAL CONTROL MEASURES IN RESPECT OF THE CONTINUING CONNECTED TRANSACTIONS

The audit committee of our Board, which comprises all of our independent non-executive Directors, will monitor our Group's continuing connected transactions on an on-going basis.

Our audit committee will conduct annual review of the continuing connected transactions under the Service Agreement and the Marketing and Video Production Service Agreement, and will provide an annual confirmation to ensure that, the transactions are conducted on normal commercial terms, and in accordance with the terms of the agreements (including the pricing) and the GEM Listing Rules. An annual review report on continuing connected transactions will be compiled by our audit committee and to be included in the annual reports of our Company for each financial year after Listing. Approval from our audit committee is required to approve any new connection transactions of the Company or to renew any existing continuing connection transactions. When considering any proposed connected transaction or any renewal of existing continuing connected

CONNECTED TRANSACTIONS

transactions, any Directors who have conflicts of interests must abstain from voting in any meetings or discussions of our Board and our audit committee, or be included in any decision-making processes relating to such conflicting transactions. All connected transactions of our Company will also be conditional on Shareholder's approval at a general meeting of the Company unless such transactions are exempt pursuant to Chapter 20 of the GEM Listing Rules.

Our senior director and head of operations management, Ms. Cheung Suet Fun, will approve the fees to be charged to our connected persons to ensure that such fees are comparable to the then prevailing market rates applicable to our other customers who are Independent Third Parties for similar services for each quotation to be sent to our connected persons. Furthermore, our Group will regularly review the terms and pricing policy and evaluate the fee scales annually to ensure that our fees will match the prevailing market rates and are no less favourable to the fees we offer to our other customers who are Independent Third Parties.

Our Company will engage our auditors to review and report in relation to the continuing connected transactions every year in accordance with the requirements pursuant to the GEM Listing Rules.

CONFIRMATION FROM THE SOLE SPONSOR AND OUR DIRECTORS

The Sole Sponsor and our Directors (including the independent non-executive Directors) are of the view that the continuing connected transaction described in this section has been entered into in the ordinary and usual course of our business and are on normal commercial terms, is fair and reasonable and in the interests of our Shareholders as a whole, and that the proposed Annual Caps are fair and reasonable, and in the interests of our Shareholders as a whole.

Our Directors currently do not expect that, immediately following Listing, there will be any transaction which will constitute non-exempt continuing connected transactions pursuant to the GEM Listing Rules. On the basis of the above and given that there are no non-exempt continuing connected transactions upon Listing, no waiver application has been made to the Stock Exchange regarding exempting for non-exempt continuing connected transactions (as defined in the GEM Listing Rules).

We will comply with the relevant requirements under Chapter 20 of the GEM Listing Rules should any non-exempt connected transactions occur on or after the Listing Date.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware as at the Latest Practicable Date and immediately following the completion of the Capitalisation Issue and the Share Offer (without taking into account of any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), the following persons will have an interest or a short position in our Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name of Shareholder	Nature of interest	Shares held as at the Latest Practicable Date		Shares held immediately following completion of the Reorganisation		Shares held immediately following completion of the Capitalisation Issue and the Share Offer	
		Number of Shares	Percentage of shareholding in our Company (%)	Number of Shares	Percentage of shareholding in our Company (%)	Number of Shares	Percentage of shareholding in our Company (%)
Explorer Vantage ⁽²⁾	Beneficial owner	77	77	77	77	277,200,000 (L) ⁽¹⁾	57.75
Ms. Bonnie Chan Woo ⁽²⁾	Interest in a controlled corporation	77	77	77	77	277,200,000 (L) ⁽¹⁾	57.75
Mr. Darrin Woo ⁽³⁾	Interest of spouse	77	77	77	77	277,200,000 (L) ⁽¹⁾	57.75
Hertford Global ⁽⁴⁾	Beneficial owner	23	23	23	23	82,800,000 (L) ⁽¹⁾	17.25
Mr. Evan Chow ⁽⁴⁾	Interest in a controlled corporation	23	23	23	23	82,800,000 (L) ⁽¹⁾	17.25

Notes:

- (1) The letter “L” denotes the person’s long position in our Shares.
- (2) Explorer Vantage was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares held by Explorer Vantage.
- (3) Mr. Darrin Woo is the spouse of Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares which are interested by Ms. Bonnie Chan Woo.
- (4) Hertford Global was incorporated in the BVI and is beneficially and wholly-owned by Mr. Evan Chow. By virtue of the SFO, Mr. Evan Chow is deemed to be interested in the Shares held by Hertford Global.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, as at the Latest Practicable Date, none of our Directors or chief executive are aware of any other person who will, immediately following the completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of any options which may be granted under the Share Option Scheme), have a beneficial interest or short position in our Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

SHARE CAPITAL

SHARE CAPITAL OF OUR COMPANY

The following is a description of the authorised and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Capitalisation Issue and the Share Offer (without taking into account the Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme):

	<u>HK\$</u>
<i>Authorised share capital</i>	
<u>1,000,000,000</u> Shares of HK\$0.01 each	<u>10,000,000</u>
<i>Shares issued and fully paid or credited as fully paid</i>	
100 Shares in issue as at the date of this prospectus	1
359,999,900 Shares to be issued pursuant to the Capitalisation Issue	3,599,999
<u>120,000,000</u> New Shares to be issued pursuant to the Share Offer	<u>1,200,000</u>
<u>480,000,000</u> Total	<u>4,800,000</u>

ASSUMPTIONS

The above table assumes that the Share Offer becomes unconditional and the issue of Shares pursuant to the Capitalisation Issue and Share Offer are made. It takes no account of any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or bought back by our Company pursuant to the general mandates granted to our Directors to allot and issue or buy back Shares as described below.

RANKINGS

The Offer Shares will be ordinary shares in the share capital of our Company and will rank *pari passu* in all respects with all Shares in issue or to be issued as mentioned in this prospectus and, in particular, will qualify for all dividends or other distributions declared, made or paid on our Shares in respect of a record date which falls after the date of this prospectus save for the entitlement under the Capitalisation Issue.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of the Listing and at all times thereafter, our Company must maintain the minimum prescribed percentage of 25% of our issued share capital in the hands of the public (as defined in the GEM Listing Rules).

SHARE CAPITAL

GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES

Subject to the Share Offer becoming unconditional, our Directors have been granted a general mandate to allot, issue and deal with Shares not exceeding:

- (a) 20% of the aggregate number of issued Shares immediately following the completion of the Capitalisation Issue and the Share Offer (excluding Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme); and
- (b) the total number of Shares of our Company bought back by our Company (if any) pursuant to the general mandate to buy back Shares granted to our Directors referred to below.

Our Directors may, in addition to our Shares which they are authorised to issue under this general mandate, allot, issue or deal with the Shares under the Share Offer, a rights issue, scrip dividend scheme or similar arrangement, or on the exercise of any option which may be granted under the Share Option Scheme.

This general mandate to issue Shares will remain in effect until the earliest of:

- (i) the conclusion of our Company's next annual general meeting; or
- (ii) the expiry of the period within which our Company is required by any applicable laws or its Articles to hold its next annual general meeting; or
- (iii) when varied, revoked or renewed by an ordinary resolution of the Shareholders in a general meeting.

Further information on this general mandate is set out in the paragraph headed "A. Further information about our Company and our subsidiaries — 3. Written resolutions of our Shareholders passed on 16 November 2017" in Appendix IV to this prospectus.

GENERAL MANDATE TO BUY BACK SHARES

Subject to the Share Offer becoming unconditional, our Directors have been granted a general mandate to exercise all the powers of our Company to buy back Shares which represent up to 10% of the aggregate number of issued Shares immediately following the completion of the Capitalisation Issue and the Share Offer (excluding Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme).

This mandate only relates to buy-backs made on the Stock Exchange or any other stock exchange on which our Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are in accordance with the GEM Listing Rules. A summary

SHARE CAPITAL

of the relevant GEM Listing Rules is set out in the paragraph headed “A. Further information about our Company and our subsidiaries — 7. Buy-back by our Company of its own securities” in Appendix IV to this prospectus.

This general mandate to buy back Shares will remain in effect until the earliest of:

- (i) the conclusion of our Company’s next annual general meeting; or
- (ii) the expiry of the period within which our Company is required by any applicable laws or the Articles to hold its next annual general meeting; or
- (iii) when varied, revoked or renewed by an ordinary resolution of the Shareholders in a general meeting.

Further information on this general mandate is set out in the paragraph headed “A. Further information about our Company and our subsidiaries — 3. Written resolutions of our Shareholders passed on 16 November 2017” in Appendix IV to this prospectus.

SHARE OPTION SCHEME

Pursuant to the resolutions in writing of our Shareholders passed on 16 November 2017, we conditionally adopted the Share Option Scheme. Summaries of the principal terms of the Share Option Scheme are set out in the paragraph headed “D. Other information — 1. Share Option Scheme” in Appendix IV to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

As a matter of the Companies Law, an exempted company is not required by law to hold any general meetings or class meetings. The holding of general meeting or class meeting is prescribed for under the articles of association of a company. Accordingly, our Company will hold general meetings as prescribed for under the Articles, a summary of which is set out in the section headed “Summary of the constitution of our Company and Cayman Islands Company Law” in Appendix III to this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

OUR BUSINESS OBJECTIVES AND STRATEGIES

Our business objectives are to achieve sustainable growth in our current business by attracting and retaining the best talents in the industry and to create long-term shareholder's value by enhancing our service offerings with evolving marketing production capabilities and progressively expanding our business network to the PRC. For a detailed description of our Group's business strategies, please refer to the paragraph headed "Business — Business strategies" in this prospectus.

USE OF PROCEEDS

The net proceeds to our Company from the issue of the Offer Shares, after deducting the underwriting fees and estimated total expenses in the aggregate amount of approximately HK\$21.0 million paid and payable by our Company in connection thereto, are estimated to be approximately HK\$43.8 million (assuming an Offer Price of approximately HK\$0.54, being the mid-point of the proposed Offer Price range of HK\$0.48 to HK\$0.60 per Offer Share). We intend to apply the net proceeds as follows:

- approximately 18.3% of the net proceeds, or approximately HK\$8.0 million, for enlarging our social media marketing production capability and offering, which include the development of strategic business partnership with the US-based Business Partner which entails business negotiation, staff training and overseas travelling, service launch, brand building in the industry in the region, market entry into Hong Kong and the PRC, the setting up of a team to develop our data analysis capabilities and the implementation of a data analytic platform;
- approximately 20.9% of the net proceeds, or approximately HK\$9.1 million, for enhancing our overall service offerings and expanding our team with key senior executive appointment and additional staff across three categories of marketing production;
- approximately 26.1% of the net proceeds, or approximately HK\$11.5 million, for setting up a studio and expanding our work premises and infrastructure, which include adding and upgrading equipment and production facilities and expansion to the new office premises;
- approximately 18.9% of the net proceeds, or approximately HK\$8.3 million, for our Group's business development and sales and marketing in order to promote our Group's business to existing and potential clients, including the hiring of marketing staff and enhance our marketing efforts to build and enhance our brand recognition for such purpose;

FUTURE PLANS AND USE OF PROCEEDS

- approximately 7.1% of the net proceeds, or approximately HK\$3.1 million, for staff development, which includes staff training, team and cultural development to promote staff retention, and the development and implementation of a real time talent management system for better work efficiency; and
- approximately 8.7% of the net proceeds, or approximately HK\$3.8 million, as general working capital for our Group.

The net proceeds from the issue of the Offer Shares will be fully utilised by 31 December 2019 according to our current business plans. Our Directors consider that the net proceeds from the Share Offer will be sufficient to finance our business plans as scheduled up to 31 December 2019. In the event that the net proceeds from the Share Offer is insufficient to finance the capital expenditure as mentioned above, we will finance our remaining business plans up to 31 December 2019 by our internal resources. We will finance any of our plans after 31 December 2019 by our internal resources.

If the Offer Price is set at the high-end or low-end of the proposed Offer Price range, the net proceeds to be received by our Company (without taking into account any Shares that may be allotted and issued pursuant to the exercises of any option which may be granted under the Share Option Scheme) will increase to approximately HK\$50.7 million or decrease to HK\$36.9 million, respectively. In such event, we will increase or decrease the allocation of the net proceeds to the above purposes on a pro-rata basis.

To the extent that the net proceeds from the issue of the Offer Shares are not immediately required for the purposes above, it is the present intention of our Directors that such net proceeds will be placed on short-term interest bearing deposits with authorised financial institutions in Hong Kong.

The possible use of proceeds outlined above may change in light of our evolving business needs and conditions, management requirements together with prevailing market circumstances. Should our Directors decide to re-allocate the intended use of proceeds to other business plans and/or new projects of our Group to a material extent and/or there is to be any material modification to the use of proceeds as described above, our Group will issue an announcement and make disclosure in our annual report in accordance with the GEM Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

IMPLEMENTATION PLANS

The total amount of listing expenses in connection with the Listing is estimated to be approximately HK\$21.0 million and will be settled from the proceeds of the Share Offer. Accordingly, the net proceeds from the Share Offer are estimated to amount to approximately HK\$43.8 million, assuming an Offer Price of HK\$0.54 per Offer Share, being the mid-point of the indicative Offer Price range of HK\$0.48 to HK\$0.60 per Offer Share. Our Group intends to apply such net proceeds from the Share Offer as follows:

	From the Latest Practicable Date to 31 December 2017 HK\$'000	For the six months ending 30 June 2018 HK\$'000	For the six months ending 31 December 2018 HK\$'000	For the six months ending 30 June 2019 HK\$'000	For the six months ending 31 December 2019 HK\$'000	Total HK\$'000	Approximate percentage of net proceeds %
Enlarge our social media marketing production capability and offering	504	616	3,586	1,481	1,813	8,000	18.3
Enhance our overall service offerings and expand the team across three categories	1,350	1,288	1,772	2,366	2,366	9,142	20.9
Set up a studio and expand our work premises	459	3,167	2,400	2,400	3,032	11,458	26.1
Business development	976	645	2,733	1,963	1,963	8,280	18.9
Staff development	—	3,120	—	—	—	3,120	7.1
General working capital	760	760	760	760	760	3,800	8.7
Total	4,049	9,596	11,251	8,970	9,934	43,800	100.0

Our Group's implementation plans are set forth below for the period from the Latest Practicable Date up to 31 December 2019. Investors should note that the implementation plans are drawn up based on the current economic status and the assumptions as set out in the paragraph headed "Bases and assumptions" in this section. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors as set out in the section headed "Risk factors" in this prospectus. Our Group's actual course of business may vary from the business objectives set out in this prospectus. Therefore, there is no assurance that our business plans will materialise in accordance with the estimated time frame and that our future plans will be accomplished at all.

FUTURE PLANS AND USE OF PROCEEDS

From the Latest Practicable Date to 31 December 2017

<u>Objective</u>	<u>Plan/activities</u>
Enlarge our social media marketing production capability and offering	— set up a team of two senior data analysts who will be responsible for analysing data generated from the social media platforms
Enhance our overall service offerings and expand the team across three categories	— extend our scope of service upstream to provide strategic brand development to our clients by hiring one strategist and planner, who will be responsible for developing overall marketing concept and direction for client's brand building strategies — set up a team of two original content talents to develop marketing ideas and concepts for the production of motion contents which will be sold to the brand owners for their marketing and branding purposes — further expand our marketing production team for visual merchandising, retail displays and event decoration by hiring one retail display and event decoration talent, who will assist in retail displays and venue decoration for clients' marketing and branding events
Set up a studio and expand our work premises	— add and upgrade equipment and production facilities for our staff including new computers, photographic and video production equipment — move to a new office premises as our Hong Kong headquarters
Business development	— marketing and promotion of our Group's business to existing and potential clients, including exploring business opportunities in managing online marketing activities in the PRC and providing digital media production services in the PRC for brands — hire one marketing strategist for marketing and brand management to promote our Group and the new service offerings to existing and potential clients
Staff development	— additional senior management training and leadership development of our key staff to promote staff retention and support our business growth

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 30 June 2018

<u>Objective</u>	<u>Plan/activities</u>
Enlarge our social media marketing production capability and offering	— hire one additional data analyst and a social media project manager to enhance our data analysis capabilities and initiate our social media production capabilities
Enhance our overall service offerings and expand the team across three categories	— enhance our scope of service upstream to provide strategic brand development to our clients by hiring one creative director, who will be responsible for the artwork design for our clients' overall brand building strategies — hire one additional original content talent to develop marketing ideas and concepts for the production of motion contents which will be sold to the brand owners for their marketing and branding purposes — hire two additional marketing production talents for design of marketing and branding materials/contents for our cross media development services
Set up a studio and expand our work premises	— add and upgrade equipment and production facilities for our staff including new accounting system
Business development	— marketing and promotion of our Group's business to existing and potential clients, including (i) the development and implementation of detailed business plan in the PRC; (ii) increasing our marketing activities in the PRC through frequent visits, remote discussions and networking activities with existing and potential clients; (iii) further developing our brand in the PRC through online marketing activities and attending and increasing exposure in business networking activities
Staff development	— team and cultural development of our staff to promote staff retention and support our business growth — develop and implement a real time talent management system to closely monitor the performance of our staff for better work efficiency

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 31 December 2018

<u>Objective</u>	<u>Plan/activities</u>
Enlarge our social media marketing production capability and offering	<ul style="list-style-type: none">— develop our social media production capabilities by hiring two social media specialists who will focus on analysing social media engagement data, designing and identifying potential trends, insights and opportunities, proposing testing and campaign mechanisms, measuring the return of campaigns and conducting interim and post-campaign analysis, etc. — implement a data analytic platform by investing in licensing of social media data analytic platforms to extract social media engagement data and to advise brand owners on their digital marketing plans
Set up a studio and expand our work premises	<ul style="list-style-type: none">— add and upgrade equipment and production software for our marketing production team including new computers, photographic and video production equipment such as cameras, lights and tripods, and computer software
Business development	<ul style="list-style-type: none">— expand our business in Beijing and Shanghai by hiring two business development talents to build client network and generate business in the PRC — implement marketing programmes to promote our services for development and maintenance of online marketing and purchasing platforms for inventory and distribution management
Staff development	<ul style="list-style-type: none">— team and culture development of our staff to promote staff retention and support our business growth

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 30 June 2019

<u>Objective</u>	<u>Plan/activities</u>
Enlarge our social media marketing production capability and offering	— appoint two additional marketing talents in the space of social media marketing production, including a business manager and a media planner, for the growth content business and execution of social media projects
Enhance our overall service offerings and expand the team across three categories	— hire three additional project management talents at senior level to lead the project management team and monitor the project execution
Set up a studio and expand our work premises	— add and upgrade equipment and production facilities for our staff including new computers, photographic and video production equipment such as cameras, lights and tripods, and computer software
Business development	— marketing and promotion of our Group's business to existing and potential clients at a regional scale
Staff development	— team and cultural development of our staff to promote staff retention and support our business growth

For the six months ending 31 December 2019

<u>Objective</u>	<u>Plan/activities</u>
Enlarge our social media marketing production capability and offering	— develop social media offering to cater for Chinese brands which are interested in developing international recognition reaching out to overseas market
Set up a studio and expand our work premises	— set up a studio and hire five studio production talents including director, photographer, researcher, editor and studio manager, to enhance our video and photography marketing production including post-production work. They will also assist the production of motion contents for our original content production service — add and upgrade equipment and production facilities for our staff including new computers, photographic and video production equipment such as cameras, lights and tripods, and computer software

FUTURE PLANS AND USE OF PROCEEDS

Objective	Plan/activities
Business development	— marketing and promotion of our Group's business to existing and potential clients at a regional scale
Staff development	— team and cultural development of our staff to promote staff retention and support our business growth

BASES AND ASSUMPTIONS

The business objectives and strategies set out by our Directors are based on the following general bases and assumptions:

- our Group will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives relate;
- there will be no significant economic change in respect of inflation, interest rate, tax rate and currency exchange rate in Hong Kong, the PRC or any countries or territories in which we plan to carry on our business which will adversely affect our Group;
- there will be no material adverse change in the existing laws and regulations, policies or industry or regulatory treatment relating to our Group, or in the political, economic, fiscal or market conditions in which our Group operates;
- we will be able to retain our senior management team and key staff for our operations;
- there will be no significant change in the business relationships with our major clients and suppliers and subcontractors;
- there will be no disaster, natural, political or otherwise, which would materially disrupt the business or operations of our Group or cause substantial loss, damage or destruction to its property or facilities;
- there will be no change in the effectiveness of the licences, permits and qualifications obtained by our Group;
- our Group will not be adversely affected by the risk factors as set out under the section headed "Risk factors" in this prospectus; and
- we will be able to continue our operations in substantially the same manner as it has been operating during the Track Record Period and our Group will be able to carry out the development plans without disruptions adversely affecting our operations or business objectives in any way.

FUTURE PLANS AND USE OF PROCEEDS

REASONS FOR THE SHARE OFFER

Our Directors consider that operating a marketing production services business which includes marketing production services is talent-based and our expansion plan is capital intensive. While our business generated net operating cash inflow, it is not sufficient for our immediate implementation of our business strategies and would place undue financial burden on our Group in terms of cashflow if we are to use all our cash on hand for business growth purposes. Taking into account the fact that (i) our Group had a cash balance of approximately HK\$24.5 million as at 31 May 2017; and (ii) our Group's cash outflow exposure including the time gap between receipt of payments from our customers and payments to our suppliers, external logistics companies and staff costs, our Directors believe our Group may not have sufficient internally generated funds to finance our expansion plan while at the same time maintaining sufficient working capital for our Group's operations. As disclosed above, the implementation plans of our business expansion requires a substantial amount of cash as we are to hire additional marketing production talents, hire additional business development and sales and marketing personnel, upgrade and expand our work premises and infrastructures including addition of new equipment and production facilities as well as for staff development and implementation of a real time talent management system.

(i) Funding our expansion plans

Based on our current estimate, such expansion plans will involve an investment of approximately HK\$35.2 million to HK\$46.3 million. Such expansion plans as detailed in the paragraph headed "Implementation plans" in this section will equip our Group with sufficient resources (in terms of human resources, infrastructure and funding) to cater for our business growth opportunities in the next three years, especially in the digital media production service, which our Directors foresee to have a considerable growth prospect, and enable us to establish ourselves as a key market player in this category beyond our current achievement in Hong Kong. Our Directors expect that our Group's business grows and demand for our Group's services will increase and larger amounts of capital as well as more substantive amounts retained for costs such as prepayment of subcontracting fees would be required. In view of the long-term objective of our Group to pursue such business growth, our Directors considered that it is in the best interest of our Group to seek further investments from a broad shareholders' base instead of primarily from a small group of private equity investors. Accordingly, our Directors consider it to be more cost efficient for our Group to raise funds from the capital market through the Share Offer and in the secondary market post Listing, to allow our Group's long-term interest to be pursued and to play out our maximum potential with alignment to a diverse portfolio of public shareholders' interests.

(ii) Alternative to debt financing

During the Track Record Period and as at the Latest Practicable Date, our Group had no bank borrowings and it is anticipated that this remains to be the case after Listing. It is anticipated that bank borrowings to our Group would require our shareholders to provide guarantees as security if our Company was not listed. Further, we do not have any property, plant and equipment that can be sufficiently used as collateral, our Directors consider that it would not be easy for our Group to

FUTURE PLANS AND USE OF PROCEEDS

obtain the required banking facilities at a competitive rate in the absence of such collateral or personal guarantees from the shareholders. Under the current market condition, it is not easy for our Group, which is an asset light company, to obtain external banking facilities at competitive rates for fund raising purpose. In addition, it is difficult for us to obtain external banking facilities to finance business expansion as we are investing in human resources and moveable assets rather than fixed assets. Our existing cash balances alone will be insufficient to fund our Group's business expansion plan as mentioned above. Our Directors believe that the listing of the Shares on GEM will facilitate the implementation of our business strategies by accessing the capital market for raising funds both at the time of the Listing and at the later stage. While we have been maintaining a healthy cash level to support our Group's existing operations, we believe that the net proceeds from the Share Offer are necessary for the implementation of our future plans which requires considerable additional financial resources.

(iii) Enhance our brand awareness and publicity

Our Directors believe that the Listing on GEM will raise our Group's brand awareness and publicity in Hong Kong and beyond, making our Group's range of services known to new potential local and international customers and business partners, in the hope of leading to an increase in market share and industry influence. Our Directors also believe that customers and suppliers may prefer to deal with listed corporation given their reputation, listing status, public financial disclosures and enhanced internal control system and corporate governance. Thus, the publicity from the Listing would be beneficial to our Group and our Directors believe a public listing status will enhance our corporate profile and recognition and assist us in reinforcing our corporate image. We believe that the public listing status will help us in our pursuit for larger clients, attracting business opportunities by way of collaboration or strategic partnership.

(iv) Meaningful incentive scheme to retain talents

In addition, a public listing status may also enable us to attract and retain talents as they are more willing to establish employment relationships with a listed company. We have, as part of the Listing, adopted the Share Option Scheme as our incentives to our employees. As our business is talent-based, the Listing enables us to adopt a meaningful stock options programme for our employees to drive their performance and commitment. This is because when our Shares are publicly traded, the share price hinges on our performance, which indirectly is attributable to the employees' efforts and yet at the same time this enables employees who acquire our Shares pursuant to the Share Option Scheme to trade their Shares in an open market.

(v) Broader shareholder base

A public listing status on GEM may also offer our Company a broader shareholder base which can potentially lead to a more liquid market in the trading of our Shares. We also believe that our internal control and corporate governance practices can be further enhanced following the Listing.

UNDERWRITING

UNDERWRITERS

Public Offer Underwriters

President Securities (Hong Kong) Limited
Bluemount Securities Limited

Placing Underwriters

President Securities (Hong Kong) Limited
Bluemount Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is offering the Public Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms.

The Public Offer Underwriting Agreement is conditional upon and subject to, amongst others, the Offer Price having been agreed between the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) and our Company.

Subject to, among other conditions, the Listing Division granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have agreed to subscribe or procure subscribers to subscribe for the Public Offer Shares which are not taken up under the Public Offer.

Grounds for termination

The Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) shall have the right upon giving a written notice to our Company to terminate the Public Offer Underwriting Agreement if any of the following events occur at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (which is expected to be on 8 December 2017):

- (A) if it has come to the notice of the Joint Lead Managers:
 - (i) any matter or event showing any of the representations, warranties and undertakings contained in the Public Offer Underwriting Agreement to be untrue, inaccurate or misleading in any material aspect when given or repeated or there has been a breach of any of such representations, warranties and undertakings or any other provision

UNDERWRITING

of the Public Offer Underwriting Agreement by any party to the Public Offer Underwriting Agreement other than the Public Offer Underwriters which, in any such cases, is considered, in the absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters), to be material in the context of the Public Offer; or

- (ii) any matter which, had it arisen immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted a material omission in the absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) in the context of the Public Offer; or
- (iii) any statement contained in this prospectus considered to be material by the Joint Lead Managers in their absolute opinion which is discovered to be or becomes untrue, incorrect or misleading in any material respect is considered in the absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) to be material; or
- (iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of our Company, our executive Director and our Controlling Shareholders pursuant to the indemnities contained in the Public Offer Underwriting Agreement; or
- (v) any breach by any party to the Public Offer Underwriting Agreement other than the Public Offer Underwriters of any provision of the Public Offer Underwriting Agreement which is considered in the absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) to be material; or
- (vi) any adverse change or a prospective adverse change in the business, results of operation, financial or trading position, or prospects of our Group as a whole the effect of which is, in the absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters), so material and adverse as to make it impracticable or inadvisable to proceed with the Share Offer; or
- (vii) approval by the Stock Exchange of the listing of, and permission to deal in, the Shares is refused or not granted, or if granted, the approval is subsequently withdrawn, qualified or withheld; or
- (viii) any person (other than the Joint Lead Managers and the Public Offer Underwriters) has withdrawn or sought to withdraw its consent to being named in this prospectus or to the issue of this prospectus; or

UNDERWRITING

- (B) if there develops, occurs, exists or comes into effect any event or series of events, matters or circumstances whether occurring or continuing before, on and/or after the date of the Public Offer Underwriting Agreement and including an event or change in relation to or a development of an existing state of affairs concerning or relating to any of the following:
- (i) any new law or regulation or any material change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, the Cayman Islands, the BVI, the PRC or any other jurisdiction relevant to any member of our Group (the “**Relevant Jurisdictions**”); or
 - (ii) any change (whether or not permanent) in local, national, regional or international stock market conditions; or
 - (iii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange or other major stock exchanges in the United States, the United Kingdom or the PRC due to exceptional financial circumstances or otherwise; or
 - (iv) any change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in any of the Relevant Jurisdictions; or
 - (v) any change or development or event involving a prospective change in our Group’s assets, liabilities, profit, losses, performance, condition, business, financial, earnings, trading position or prospects; or
 - (vi) any change or development (whether or not permanent), or any event or series of events resulting in any change in local, national, regional or international financial, political, military, industrial, legal, economic, currency market, fiscal or regulatory or market matters or conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a devaluation of the RMB against any foreign currencies) in or affecting any of the Relevant Jurisdictions; or
 - (vii) a general moratorium on commercial banking business activities in any of the Relevant Jurisdictions declared by the relevant authorities; or
 - (viii) any event of force majeure including but without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, pandemic, act of terrorism, earthquake, strike or lock-out; or

UNDERWRITING

- (ix) any litigation or claim of any third party being threatened or instigated against any member of our Group, our executive Director and/or our Controlling Shareholders; or
- (x) any change or development involving a prospective change, or materialisation of, any of the risks set out in the section headed “Risk factors” in this prospectus; or
- (xi) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or
- (xii) any imposition of economic or other sanctions, in whatever form, directly or indirectly, by or to any of the Relevant Jurisdictions; or
- (xiii) a petition is presented for the winding up or liquidation of any member of our Group, or any member of our Group makes any compromise or arrangement with our Company’s or its creditors or enter into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group; or
- (xiv) a valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which such member of our Group is liable prior to its stated maturity, or any loss or damage sustained any member of our Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or
- (xv) any judicial, regulatory or governmental authority or political body or organisation in any of the Relevant Jurisdictions commencing any investigation, action, claim or proceedings, or announcing an intention to investigate or take any action, against any Director; or
- (xvi) any Director being charged with an indictable offence or prohibited by the operation of law or otherwise disqualified from taking part in the management of a company; or
- (xvii) the chairperson or chief executive officer of our Company vacating her office; or
- (xviii) any prohibition on our Company for whatever reason from allotting or selling the Offer Shares pursuant to the Share Offer and the terms set out in the Public Offer Underwriting Agreement and this prospectus; or

UNDERWRITING

- (xix) other than with the approval of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters), the issue or the requirement to issue by our Company of any supplement or amendment to this prospectus (or to any documents used in connection with the Share Offer) pursuant to the Companies (Miscellaneous Provisions) Ordinance or the GEM Listing Rules or any requirement or request of the Stock Exchange and/or the SFC; or
- (xx) any event which gives rise or would give rise to any liability on the part of our Company and/or our Controlling Shareholders pursuant to the indemnity provisions contained in the Public Offer Underwriting Agreement; or
- (xxi) a breach of any of the representations, warranties and undertakings contained in the Public Offer Underwriting Agreement or of any of the other obligations imposed upon or undertakings given by our Company under the Public Offer Underwriting Agreement,

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters):

- (a) is or will or is likely to be materially adverse to the business, financial condition or prospects of our Company and/or our Group taken as a whole; or
- (b) has or will have or is likely to have a material adverse effect on the success of the Share Offer; or
- (c) makes or will make or is likely to make it inappropriate, inadvisable or inexpedient to proceed with the Share Offer; or
- (d) has or will have the effect of making any part of the Public Offer Underwriting Agreement incapable of performance in accordance with its terms or which prevents the processing of applications and/or payment pursuant to the Public Offer or pursuant to the Public Offer Underwriting Agreement.

Undertakings to the Stock Exchange pursuant to the GEM Listing Rules by our Company

By our Company

Pursuant to Rule 17.29 of the GEM Listing Rules, we have undertaken to the Stock Exchange that, no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except for the circumstances as prescribed under Rule 17.29 of the GEM Listing Rules.

UNDERWRITING

By our Controlling Shareholders

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company respectively that, except pursuant to the Share Offer, it/she shall not and shall procure that the relevant registered shareholder(s) shall not:

- (a) in the period commencing on the date by reference to which disclosure of its/her shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those Shares in respect of which it/she is shown by this prospectus to be the beneficial owners; or
- (b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, the Controlling Shareholders would cease to be controlling shareholders (as defined in the GEM Listing Rules).

Pursuant to Rule 13.19 of the GEM Listing Rules, each of the Controlling Shareholders has also undertaken to the Stock Exchange and our Company that, within the period commencing on the date by reference to which disclosure of its/her shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/she will:

- (a) when it/she pledges or charges any Shares or other securities or interests in any securities of our Company beneficially owned by it/her in favour of any authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) pursuant to Rule 13.18(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules, immediately inform us of such pledge or charge together with the number of Shares so pledged or charged; and
- (b) when it/she receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares or securities or interests in any securities of our Company will be disposed of, immediately inform us of such indications.

Our Company shall inform the Stock Exchange in writing as soon as it has been informed of any of the matters referred to above (if any) by our Controlling Shareholders and disclose such matters by way of an announcement to be published in accordance with the GEM Listing Rules as soon as possible.

UNDERWRITING

Undertakings pursuant to the Public Offer Underwriting Agreement

By our Company

Except pursuant to the Capitalisation Issue, the Share Option Scheme and the Share Offer, during the period commencing on the date of this prospectus and ending on, and including, the date that is six months after the Listing Date (the “**First Six-Month Period**”), our Company has undertaken to each of the Joint Lead Managers, the Public Offer Underwriter and the Sole Sponsor not to, and to procure each other member of our Group not to, without the prior written consent of the Sole Sponsor and Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) and unless in compliance with the requirements of the GEM Listing Rules:

- (i) offer, allot, issue or sell, or agree to allot, issue or sell, hedge, grant or agree to grant any option, right or warrant over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by our Company or any of its affiliates), either directly or indirectly, conditionally or unconditionally, any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or any securities convertible into or exchangeable for such Shares (or any interest in any Shares or any voting or other right attaching to any Shares); or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or such securities; or
- (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or
- (iv) offer or agree to do any of the foregoing transactions and publicly disclose any intention to effect such transaction,

in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period).

UNDERWRITING

By our Controlling Shareholders

Each of our Controlling Shareholders has also undertaken to each of our Company, the Joint Lead Managers, the Public Offer Underwriters and the Sole Sponsor that, save as (i) pursuant to the Share Offer; or (ii) permitted under the GEM Listing Rules, without the prior written consent of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) (such consent not to be unreasonably withheld or delayed) and the Sole Sponsor:

- (1) it/she will not, at any time during the First Six-Month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, as applicable), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period);
- (2) it/she will not, during the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), enter into any of the transactions specified in (i), (ii) or (iii) of paragraph (1) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it/she will cease to be a “controlling shareholder” (as defined in the GEM Listing Rules) of our Company; and
- (3) without prejudice to the undertakings as referred to in paragraphs (1) and (2) above, during the period commencing on the date by reference to which disclosure of its/her direct or indirect shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/she shall:

UNDERWRITING

- (i) when it/she pledges or charges or otherwise creates any rights of encumbrances over any Shares or other securities of our Company beneficially owned by it/she in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) pursuant to Rule 13.18(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules, immediately inform our Company, the Sole Sponsor and the Joint Lead Managers of such pledge or charge or creation of the rights of encumbrances together with the number of the securities so pledged or charged and all other information as may be reasonably requested by our Company, the Sole Sponsor and/or the Joint Lead Managers; and
- (ii) subsequent to the pledge or charge or creation of rights or encumbrances over the Shares (or interest therein) or other shares or interests as mentioned in subparagraph (i) above, when it receives any indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged or encumbered securities as referred to in sub-paragraph (i) above have been or will be disposed of, immediately inform our Company of such indications, and inform the Sole Sponsor and the Joint Lead Managers as soon as practicable thereafter (taking into account the requirements of applicable laws, rules and regulations) of such indications.

Voluntary lock-up undertaking by our Controlling Shareholders

Apart from satisfying the lock-up requirements under the GEM Listing Rules, each of our Controlling Shareholders has voluntarily undertaken to our Company that it or she shall not, at any time during the six months from the expiry of the Second Six-Month Period, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares if, immediately following such sale, disposal or upon the exercise or enforcement of any option, right, interest or encumbrance, it will cease to be a “controlling shareholder” (as defined in GEM Listing Rules) of our Company. Such voluntary lock-up undertaking is irrevocable and may not be waived by our Company.

Placing

Placing Underwriting Agreement

In connection with the Placing, it is expected that our Controlling Shareholders, executive Director and our Company will enter into the Placing Underwriting Agreement with the Sole Bookrunner, the Joint Lead Managers and the Placing Underwriters, on the terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below. Under the Placing Underwriting Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to severally, but not jointly, procure subscribers to subscribe for, or failing which they shall subscribe for, 108,000,000 Placing Shares initially being offered pursuant to the Placing.

UNDERWRITING

The Placing Underwriting Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. The Placing Underwriting Agreement is conditional on and subject to the Public Offer Underwriting Agreement having been executed, becoming unconditional and not having been terminated. Pursuant to the Placing Underwriting Agreement, our Company and our Controlling Shareholders have made similar undertakings as those given pursuant to the Public Offer Underwriting Agreement as described in the paragraph headed “Undertakings pursuant to the Public Offer Underwriting Agreement” above.

Commission and expenses

The Underwriters will receive a commission of 4.0% on the aggregate Offer Price of all the Offer Shares, out of which will, as the case may be, be applied to any sub-underwriting commissions and selling concession. Assuming the Offer Price of HK\$0.54 per Offer Share, being the mid-point of the indicative range of the Offer Price stated in this prospectus, the underwriting commission will be approximately HK\$2.6 million. In addition, the Underwriters are also entitled to receive an incentive fee of HK\$360,000 upon Listing. The underwriting commission, Stock Exchange listing fees, brokerage, Stock Exchange trading fee, SFC transaction levy, legal and other professional fees together with applicable printing and other expense relating to the Share Offer are estimated to be approximately HK\$21.0 million, which will be borne by us.

Underwriters’ interests in our Company

Save for its interests and obligations under the Underwriting Agreements and save as disclosed in this prospectus, none of the Underwriters or any of its close associates is interested beneficially or non-beneficially in any shares in any member of our Group nor has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any shares of any member of our Group.

Compliance Adviser’s agreement

Under the Compliance Adviser’s Agreement, our Company appoints Ballas Capital Limited and Ballas Capital Limited agrees to act as the compliance adviser to our Company for the purpose of the GEM Listing Rules for a fee from the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the Listing Date or until the agreement is terminated, whichever is earlier.

Sole Sponsor’s interest in our Company

Success New Spring Capital Limited, being the Sole Sponsor, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Save for the advisory and documentation fees to be paid to Success New Spring Capital as the Sole Sponsor to the Listing, its obligations under the Underwriting Agreements, and any interests in securities that may be subscribed by it pursuant to

UNDERWRITING

the Share Offer, neither Success New Spring Capital Limited nor any of its associates has or may, as a result of the Share Offer, have any interest in any class of securities of our Company or any other company in our Group (including options or rights to subscribe for such securities).

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE SHARE OFFER

This prospectus is published in connection with the Public Offer as part of the Share Offer. The Share Offer consists of:

- (i) the Public Offer of 12,000,000 Shares (subject to re-allocation as mentioned below) in Hong Kong as described below in the paragraph headed “The Public Offer” in this section (including the Employee Preferential Offering of up to 1,200,000 Public Offer Shares as described in the paragraph headed “Employee Preferential Offering” below in this section); and
- (ii) the Placing of 108,000,000 Shares (subject to re-allocation as mentioned below) to selected professional, institutional and/or other investors as described below in the paragraph headed “The Placing” in this section.

Of the 12,000,000 Offer Shares initially being offered under the Public Offer, 1,200,000 Offer Shares (representing 1% of the total number of Offer Shares initially being offered under the Share Offer) are available for subscription by Eligible Employees on a preferential basis under the Employee Preferential Offering, subject to the terms and conditions set out in this prospectus and the PINK Application Form.

Investors may apply for the Shares under the Public Offer or indicate an interest, if qualified to do so, for the Shares under the Placing, but may not do both.

Eligible Employees may make an application for the Employee Reserved Shares on a PINK Application Form and, in addition, will be entitled to apply for Public Offer Shares under the Public Offer but may not apply for or indicate an interest for the Placing Shares under the Placing. Such Eligible Employees will receive no preference as to entitlement or allocation in respect of such further applications for Public Offer Shares under the Public Offer.

The Offer Shares will represent 25% of the enlarged total issued shares of our Company immediately after completion of the Share Offer and Capitalisation Issue.

The Public Offer is fully underwritten by the Public Offer Underwriters and the Placing is fully underwritten by the Placing Underwriters, in each case, on a several basis, and each being subject to the conditions set out in the section headed “Underwriting” in this prospectus.

THE PUBLIC OFFER

Number of Shares initially offered

We are initially offering 12,000,000 Public Offer Shares at the Offer Price, representing 10% of the Shares initially available under the Share Offer, for subscription by the public in Hong Kong. Subject to reallocation of Offer Shares between the Placing and the Public Offer, the number of

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Shares initially offered under the Public Offer will represent 2.5% of our Company's enlarged issued share capital immediately after completion of the Share Offer and Capitalisation Issue. Of the 12,000,000 Offer Shares initially being offered under the Public Offer, 1,200,000 Shares (representing 10% and 1% of the total number of Shares initially being offered under the Public Offer and the Share Offer, respectively) are available for subscription by Eligible Employees on a preferential basis, subject to the terms and conditions set out in this prospectus and the PINK Application Forms. The Public Offer is open to members of the public in Hong Kong as well as to institutional or professional investors. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing of shares and other securities and corporate entities which regularly invest in shares and other securities. Completion of the Public Offer is subject to the conditions as set out in the paragraph headed "Conditions of the Share Offer" in this section.

Allocation

Allocation of Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

An applicant for Shares under the Public Offer will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it has not applied for nor taken up any Shares under the Placing nor otherwise participated in the Placing. Applicants should note that if such undertaking and/or confirmation given by an applicant is breached and/or is untrue (as the case may be), such applicant's application under the Public Offer is liable to be rejected.

Multiple or suspected multiple applications and any application for more than 10,800,000 Public Offer Shares (being 100% of the Public Offer Shares initially comprised in the Public Offer and after the deduction of the number of Employee Reserved Shares) will be rejected.

Reallocation

The allocation of Offer Shares between the Public Offer and the Placing is subject to adjustment which would have the effect of increasing the number of Offer Shares under the Public Offer to a certain percentage of the total number of Offer Shares offered under the Share Offer if certain prescribed total demand levels are reached. In the event of over-applications in the Public Offer, the Joint Lead Managers shall apply a clawback mechanism following the closing of the application lists on the following basis:

- If the number of Offer Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times of the number of Offer Shares initially available for subscription under the Public Offer, then 24,000,000 Offer Shares will be reallocated to

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

the Public Offer from the Placing so that the total number of Offer Shares available under the Public Offer will be 36,000,000 Offer Shares, representing 30% of the Offer Shares initially available under the Share Offer;

- If the number of Offer Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times of the number of Offer Shares initially available for subscription under the Public Offer, then 36,000,000 Offer Shares will be reallocated to the Public Offer from the Placing so that the total number of Offer Shares available under the Public Offer will be 48,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Share Offer; and
- If the number of Offer Shares validly applied for under the Public Offer represents 100 times or more of the number of Offer Shares initially available for subscription under the Public Offer, then 48,000,000 Offer Shares will be reallocated to the Public Offer from the Placing so that the total number of Offer Shares available under the Public Offer will be 60,000,000 Offer Shares, representing 50% of the Offer Shares initially available under the Share Offer.

In each case, based on the additional Offer Shares reallocated to the Public Offer, the number of Offer Shares allocated to the Placing will be correspondingly reduced, in such manner as the Joint Lead Managers deem appropriate. In addition, the Joint Lead Managers may in their sole and absolute discretion reallocate Shares from the Placing to the Public Offer to satisfy valid applications under the Public Offer.

If the Public Offer is not fully subscribed, the Joint Lead Managers will have the discretion (but shall not be under any obligation) to reallocate all or any unsubscribed Public Offer Shares to the Placing in such amount as the Joint Lead Managers deem appropriate.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Public Offer.

EMPLOYEE PREFERENTIAL OFFERING

Up to 1,200,000 Employee Reserved Shares, representing 10% of the Offer Shares available under the Public Offer, which are not subject to reallocation to the Placing as described in the paragraph “The Public Offer — Reallocation” above in this section, are available for subscription by Eligible Employees on a preferential basis.

The 1,200,000 Employee Reserved Shares available for application by Eligible Employees on PINK Application Forms will be allocated to such applicants on a basis based on the level of valid applications received under the Employee Preferential Offering and the number of Employee Reserved Shares validly applied for within each application tier.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

The allocation basis will be consistent with the allocation basis commonly used in the case of over-subscriptions in public offerings in Hong Kong, where a higher allocation percentage will be applied in respect of smaller applications. The Employee Reserved Shares will be balloted if there are insufficient Employee Reserved Shares available to PINK Application Form applicants. If balloting is conducted, an Eligible Employee may be allocated more Employee Reserved Shares than others who have applied for the same number of Employee Reserved Shares. The allocation of Employee Reserved Shares to Eligible Employees will in any event be made on an equitable basis and will not be based on the identity, seniority, work performance or length of service of the Eligible Employees. No favour will be given to the Eligible Employees who apply for a large number of Employee Reserved Shares. Any application made on a PINK Application Form for more than 1,200,000 Employee Reserved Shares will be rejected. Allocation of Employee Reserved Shares under the Employee Preferential Offering will be based on the allocation guidelines contained in the GEM Listing Rules. In addition to any application for Employee Reserved Shares on a PINK Application Form, Eligible Employees will be entitled to apply for the Public Offer Shares on a WHITE or YELLOW Application Form or by submitting an application online through the designated website of the HK eIPO White Form Service Provider or by giving electronic application instruction to HKSCC via CCASS.

As at the Latest Practicable Date, our Group had 50 Eligible Employees.

In case not all of the 1,200,000 Employee Reserved Shares are subscribed for by Eligible Employees, the undersubscribed Employee Reserved Shares will be available as Public Offer Shares for subscription by the public under the Public Offer.

THE PLACING

Number of Offer Shares initially offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the Placing will be 108,000,000 Shares (comprising new Shares only), representing 90% of the total number of the Offer Shares initially available under the Share Offer. Subject to the reallocation of the Offer Shares between the Placing and the Public Offer, the number of Shares initially offered under the Placing will represent 22.5% of our Company's enlarged issue share capital immediately after the completion of the Share Offer and Capitalisation Issue, but without taking into account Shares which may be upon exercise of options granted under the Share Option Scheme.

Allocation

Pursuant to the Placing, the Placing Shares will be conditionally placed on behalf of our Company by the Placing Underwriters or through selling agents appointed by them. Placing Shares will be selectively placed to professional and institutional and/or other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong. The Placing is subject to the Public Offer becoming unconditional.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Allocation of Offer Shares pursuant to the Placing will be effected in accordance with the book-building process described in the paragraph headed “Pricing and allocation” in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole.

The Joint Lead Managers may require any investor who has been offered Offer Shares under the Placing, and who has made an application under the Public Offer, to provide sufficient information to the Joint Lead Managers so as to allow them to identify the relevant applications under the Public Offer and to ensure that they are excluded from any application of Offer Shares under the Public Offer.

PRICING AND ALLOCATION

Determining the Offer Price

The Placing Underwriters are soliciting from prospective investors indications of interest in acquiring the Shares in the Placing. Prospective investors will be required to specify the number of Shares under the Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Public Offer.

Pricing for the Offer Shares for the purpose of the Share Offer will be fixed on the Price Determination Date, by agreement between the Joint Lead Managers (for themselves and on behalf of the Underwriters) and our Company, which is expected to be on or about Friday, 1 December 2017 or such later date as may be agreed between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters).

If, for any reason, the Joint Lead Managers (for themselves and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price by that date or such later date as agreed by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse immediately.

Prospective investors should be aware that the Offer Price to be determined on or before the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range as stated in this prospectus.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Offer Price range

The Offer Price will be not more than HK\$0.60 per Share and is expected to be not less than HK\$0.48 per Share unless otherwise announced. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus. The Joint Lead Managers (for themselves and on behalf of the Underwriters) may, with the consent of our Company, reduce the indicative Offer Price range below to that stated in this prospectus at any time on or prior to the Price Determination Date. If this occurs, a notice of reduction of the indicative Offer Price range will be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.iciclegroup.com.

Price payable on application

Applicants for Public Offer Shares under the Public Offer are required to pay, on application, the maximum Offer Price of HK\$0.60 for each Public Offer Share (plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% and subject to refund) amounting to a total of HK\$3,030.23 for one board lot of 5,000 Offer Shares. If our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on the Price Determination Date or such later date as may be agreed between the parties, the Share Offer will not become unconditional and will lapse immediately.

Announcement of Offer Price and basis of allocations

Our Company expects to announce the final Offer Price and the level of indication of interests in the Share Offer on Thursday, 7 December 2017 on our Company's website at www.iciclegroup.com and the website of the Stock Exchange at www.hkexnews.hk. **If for any reason the Price Determination Date is changed, our Company will as soon as practicable cause to be published on the website of the Stock Exchange a notice of the change and if applicable the revised date.**

UNDERWRITING

The Share Offer is fully underwritten by the Underwriters under the terms of the Underwriting Agreements and is subject to our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) agreeing on the Offer Price. These underwriting arrangements and the Underwriting Agreements are summarised in the section headed "Underwriting" in this prospectus.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

CONDITIONS OF THE SHARE OFFER

The Share Offer is conditional upon, among other things:

(a) Listing

The Listing Division granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein including any Shares which may fall to be issued pursuant to the exercise of the options that may be granted under the Share Option Scheme or the general mandate to issue Shares referred to in Appendix IV to this prospectus;

(b) Price Determination Agreement

The Price Determination Agreement having been executed by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) and becoming effective on the Price Determination Date; and

(c) Underwriting Agreements

The obligations of the Underwriters under each of the Public Offer Underwriting Agreement and the Placing Underwriting Agreement becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Sole Sponsor and the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Underwriting Agreements not being terminated in accordance with its terms or otherwise prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Details of the Underwriting Agreements, the conditions and grounds for termination, are set out in the section headed “Underwriting” in this prospectus, in each case, on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the 30th day from the date of this prospectus.

If such conditions have not been fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Share Offer will be published by our Company at the Stock Exchange’s website at www.hkexnews.hk and our Company’s website at www.iciclegroup.com on the next Business Day following such lapse.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on GEM are expected to commence on Friday, 8 December 2017. Shares will be traded in board lots of 5,000 Shares each. The GEM stock code for the Shares is 8429.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Application has been made to the Stock Exchange for listing of and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus. If the Stock Exchange grants the listing of and permission to deal in the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or, under contingent situation, any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbrokers or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interest.

Details of the Share Offer will be announced in accordance with Rules 10.12(4), 16.08 and 16.16 of the GEM Listing Rules.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares. To apply for Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via **HK eIPO White Form** service at www.hkeipo.hk; or
- electronically cause HKSCC Nominees to apply on your behalf.

In addition, if you are an Eligible Employee, you may also apply for Employee Reserved Shares using a **PINK** Application Form. Eligible Employees may apply for the Public Offer Shares under the Public Offer and the Employee Reserved Shares under the Employee Preferential Offering but may not apply for or indicate an interest for Placing Shares under the Placing.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Sole Bookrunner and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are not a United States Person (as defined in Regulation S under the Securities Act of the United States);
- are outside the United States; and
- are not a legal or natural person of the PRC.

If you apply online through the **HK eIPO White Form** Service Provider, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact phone number.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, our Company and the Sole Bookrunner may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four for the Public Offer Shares.

Only Eligible Employees may apply for the Employee Reserved Shares with a PINK Application Form.

Unless permitted by the GEM Listing Rules, you cannot apply for any Public Offer Shares if you are:

- an existing beneficial owner of Shares in our Company and/or any its subsidiaries;
- a Director or chief executive officer of our Company and/or any of its subsidiaries;
- a associate (as defined in the GEM Listing Rules) of any of the above;
- a connected person (as defined in the GEM Listing Rules) of our Company or will become a connected person of our Company immediately upon completion of the Share Offer; and
- have been allocated or have applied for any Placing Shares or otherwise participated in the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which Application Channel to Use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply through www.hkeipo.hk.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours between 9:00 a.m. from Monday, 27 November 2017 until 12:00 noon on Thursday, 30 November 2017 from:

- (i) any of the following offices of the Public Offer Underwriters:

President Securities (Hong Kong) Limited

Units 2603–06, 26/F, Infinitus Plaza,
199 Des Voeux Road Central,
Hong Kong

Bluemount Securities Limited

Room 2403–05, Jubilee Centre,
18 Fenwick Street, Wan Chai,
Hong Kong

- (ii) any of the following branches of the receiving bank:

DBS Bank (Hong Kong) Limited

<u>District</u>	<u>Branch Name</u>	<u>Address</u>
Hong Kong Island	United Centre Branch	Shops 1015–1018, 1/F & Shops 2032–2034, 2/F, United Centre, 95 Queensway, Admiralty, Hong Kong
	Aberdeen Branch	Shops A & B, G/F, Units A & B, 1/F, On Tai Building, 1–3 Wu Nam Street, Aberdeen, Hong Kong
Kowloon	Amoy Plaza Branch	Shops G193–195, Amoy Plaza, 77 Ngau Tau Kok Road, Ngau Tau Kok, Kowloon, Hong Kong
	Mei Foo Branch	Shops N26A & N26B, Stage V, Mei Foo Sun Chuen, 10 & 12 Nassau Street, Kowloon, Hong Kong
	Yaumatei Branch	G/F & 1/F, 131–137 Woo Sung Street, Yau Ma Tei, Kowloon, Hong Kong

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<u>District</u>	<u>Branch Name</u>	<u>Address</u>
New Territories	Ma On Shan Branch	Shop 205–206, Level 2, Ma On Shan Plaza, Ma On Shan, New Territories, Hong Kong

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, 27 November 2017 until 12:00 noon on Thursday, 30 November 2017 from the Depository Counter of HKSCC at 1st Floor, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

A **PINK** Application Form together with this prospectus can be collected by Eligible Employees from our Company's head office at Unit 4, 12/F, 18 King Wah Road, North Point, Hong Kong during normal business hours from 9:00 a.m. on Monday, 27 November 2017 until 12:00 noon on Wednesday, 29 November 2017. Electronic copies of the **PINK** Application Form and this prospectus can be viewed from our Company's website at www.iciclegroup.com and the Stock Exchange's website at www.hkexnews.hk.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Ting Hong Nominees Limited — Icicle Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

Monday, 27 November 2017 — 9:00 a.m. to 5:00 p.m.
Tuesday, 28 November 2017 — 9:00 a.m. to 5:00 p.m.
Wednesday, 29 November 2017 — 9:00 a.m. to 5:00 p.m.
Thursday, 30 November 2017 — 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, 30 November 2017, the last application day or such later time as described in "10. Effect of bad weather on the opening of the applications lists" in this section. No proceedings will be taken on the application lists for the Public Offer Shares and no allotment of any such Public Offer Shares will be made after the closing of the application lists.

Your completed **PINK** Application Form, together with a cheque attached and marked payable to "Ting Hong Nominees Limited — Icicle Public Offer" for the payment must be returned to our Company's head office at Unit 4, 12/F, 18 King Wah Road, North Point, Hong Kong by 12:00 noon on Wednesday, 29 November 2017.

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4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **HK eIPO White Form** service, among other things, you (and if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person from whom you act:

- (i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Sole Bookrunner (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Companies (Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Share Offer in this prospectus;
- (vi) agree that none of our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing nor participated in the Placing;
- (viii) agree to disclose to our Company, the Sole Sponsor, our Hong Kong Share Registrar, receiving bank, the Sole Bookrunner, the Joint Lead Managers, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

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- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the Securities Act of the United States; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any refund cheque(s) and/or e-Auto Refund payment instructions to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Underwriters, any of their respective directors, officers or representatives or any other person or party involved in the Share Offer will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;

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- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC or to **HK eIPO White Form** Service Provider by you or by anyone as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form to HKSCC or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

Additional terms and conditions for the Employee Preferential Offering

You may refer to the **PINK** Application Form for details.

5. APPLYING THROUGH HK EIPO WHITE FORM SERVICE

General

Individuals who meet the criteria in the paragraph headed “Who can apply” in this section, may apply through the **HK eIPO White Form** service for the Offer Shares to be allotted and registered in their own names through the designated website www.hkeipo.hk.

Detailed instructions for application through the **HK eIPO White Form** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website, you authorise the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

Time for submitting applications under the HK eIPO White Form

You may submit your application to the **HK eIPO White Form** Service Provider at www.hkeipo.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Monday, 27 November 2017 until 11:30 a.m. on Thursday, 30 November 2017 and the latest

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time for completing full payment of application monies in respect of such application will be 12:00 noon on Thursday, 30 November 2017 or such later time under the paragraph headed “10. Effect of bad weather on the opening of the applications lists” in this section.

No multiple applications

If you apply by means of **HK eIPO White Form**, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the **HK eIPO White Form** service to make an application for Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **HK eIPO White Form** more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the HK eIPO White Form service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Miscellaneous Provisions) Ordinance).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling +852 2979 7888 or through the CCASS Internet System <https://ip.ccass.com> (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time).

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HKSCC can also input electronic application instructions for you if you go to:

Hong Kong Securities Clearing Company Limited

Customer Service Centre
1/F, One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Sole Bookrunner and our Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Public Offer Shares applied for or any lesser number allocated;

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- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing;
- (if the **electric application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
- confirm that you understand that our Company, our Directors, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Underwriters, any of their respective directors, officers or representatives or any other person or party involved in the Share Offer will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, our Hong Kong Share Registrar, receiving bank, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters and/or their respective advisers and agents;

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or a public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Public Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Miscellaneous Provisions) Ordinance and the Articles of Association; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the laws of Hong Kong.

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Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 5,000 Public Offer Shares. Instructions for more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input electronic application instructions at the following times on the following dates:

- Monday, 27 November 2017 — 9:00 a.m. to 8:30 p.m.** ⁽¹⁾
- Tuesday, 28 November 2017 — 8:00 a.m. to 8:30 p.m.** ⁽¹⁾
- Wednesday, 29 November 2017 — 8:00 a.m. to 8:30 p.m.** ⁽¹⁾
- Thursday, 30 November 2017 — 8:00 a.m.** ⁽¹⁾ **to 12:00 noon**

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Note (1): These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m., Monday, 27 November 2017 until 12:00 noon, Thursday, 30 November 2017 (24 hours daily, except on the last application day). The latest time for inputting your electronic application instructions will be 12:00 noon, Thursday, 30 November 2017, the last application day or such later time as described in “10. Effect of bad weather on the opening of the application lists” in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit.

Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under section 40 of the Companies (Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed “Personal data” applies to any personal data held by our Company, our Hong Kong Share Registrar, the receiving bank, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Public Offer Shares through the **HK eIPO White Form** service is only a facility provided by the **HK eIPO White Form** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

application day in making your electronic applications. Our Company, our Directors, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO White Form** service will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Thursday, 30 November 2017.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code, for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner.

If you do not include this information, the application will be treated as being made for your benefit.

If you are an Eligible Employee, you may also make an application for Employee Reserved Shares by using a PINK Application Form. Only one application for Employee Reserved Shares is permitted per Eligible Employee under the Employee Preferential Offering. Multiple applications or suspected multiple applications by any Eligible Employee are liable to be rejected.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC is made for your benefit (including the part of the application made by HKSCC Nominees acting on electronic application instructions).

It will be a term and condition of all applications that by completing and delivering an Application Form, you:

- (if the application is made for your own benefit) **warrant** that this is the only application which has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form;

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- (if you are an agent for another person) **warrant** that reasonable enquiries have been made with that other person that this is the only application which has been or will be made for the benefit of that other person on a **WHITE** or **YELLOW** Application Form, and that you are duly authorised to sign the Application Form as that other person's agent;

Multiple applications or suspected multiple applications will be rejected and all of your applications will be rejected as multiple applications if you, or you and your joint applicant(s) together:

- make more than one application (whether individually or jointly with others) on a **WHITE** and/or **YELLOW** Application Form; or
- apply (whether individually or jointly with others) on one **WHITE** or **YELLOW** Application Form for more than 10,800,000 Public Offer Shares; or
- apply for, take up, indicate an interest (whether individually or jointly with others) for any Placing Shares or otherwise participate in the Placing; or
- both apply on one **WHITE** Application Form and one **YELLOW** Application Form; or receive any Placing Shares under the Placing.

All of your applications will also be rejected as multiple applications if more than one application is made for your benefit or for the benefit of any of your joint applicant(s).

If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or

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- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE**, **YELLOW** and **PINK** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for the Public Offer Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE**, **YELLOW** or **PINK** Application Form in respect of a minimum of 5,000 Public Offer Shares. Each application or electronic application instruction in respect of more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form.

If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the GEM Listing Rules), and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC). For further details on the Offer Price, see the section headed “Structure and conditions of the Share Offer — Pricing and allocation”.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 30 November 2017.

Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon. If the application lists do not open and close on Thursday, 30 November 2017 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable” in this prospectus and the related Application Forms and other dates mentioned in this prospectus (including, without limitation, the latest time for the exercise of termination rights under the Underwriting Agreements), an announcement will be made.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the Placing, the level of applications in the Public Offer and the Employee Preferential Offering and the basis of allocation of the Public Offer Shares and Employee Reserved Shares, the number of Offer Shares re-allocated between the Public Offer and the Placing on Thursday, 7 December 2017 on our Company's website at www.iciclegroup.com and the website of the Stock Exchange at www.hkexnews.hk.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer and the Employee Preferential Offering will be available at the times and dates and in the manner specified below:

- in the announcement to be posted on our Company's website at www.iciclegroup.com and the Stock Exchange's website at www.hkexnews.hk no later than 9:00 a.m. on Thursday, 7 December 2017;
- results of allocations will also be available from the website at www.tricor.com.hk/ipo/result on a 24-hour basis from 8:00 a.m. on Thursday, 7 December 2017 to 12:00 midnight on Wednesday, 13 December 2017. The user will be required to key in the Hong Kong identity card/passport/Hong Kong business registration certificate number provided in his/her/its Application Form to search for his/her/its own allocation result;
- by telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, 7 December 2017 to Tuesday, 12 December 2017 (excluding Saturday and Sunday);
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 7 December 2017 to Monday, 11 December 2017 at the designated receiving bank branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares (and, if applicable, the Employee Reserved Shares) if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed "Structure and Conditions of the Share Offer" in this prospectus. You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

- (i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or a public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot, respectively.

- (ii) If our Company or our agents exercise their discretion to reject your application:

Our Company, the Sole Bookrunner, the **HK eIPO White Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

(iii) If the allotment of Public Offer Shares (and the Employee Reserved Shares) is void:

The allotment of Public Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee of the Stock Exchange notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- your electronic application instructions through the **HK eIPO White Form** Service Provider are not completed in accordance with the instructions, terms and conditions on the designated website;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Sole Bookrunner believe(s) that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations;
- your application is for more than 10,800,000 Public Offer Shares initially offered under the Public Offer; or
- you apply for more than 1,200,000 Employee Reserved Shares.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$0.60 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Public Offer are not fulfilled in accordance with the paragraph headed "Structure and

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

conditions of the Share Offer — The Public Offer” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on Thursday, 7 December 2017.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by electronic application instructions to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE**, **YELLOW** or **PINK** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Public Offer Shares and/or Employee Reserved Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest).

Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on despatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Thursday, 7 December 2017. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

Share certificates will only become valid at 8:00 a.m. on Friday, 8 December 2017 provided that the Share Offer has become unconditional and the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised. Investors who trade shares prior to the receipt of share certificates or the share certificates becoming valid do so at their own risk.

Personal Collection

(i) *If you apply using a WHITE Application Form and/or PINK Application Form*

If you apply for 1,000,000 or more Public Offer Shares and/or Employee Reserved Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Hong Kong Share Registrar at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 7 December 2017 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation’s chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares and/or Employee Reserved Shares your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Thursday, 7 December 2017, by ordinary post and at your own risk.

(ii) *If you apply using a YELLOW Application Form*

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above for collection of refund cheque(s). If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Thursday, 7 December 2017, by ordinary post and at your own risk.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Thursday, 7 December 2017, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS Participant (other than a CCASS Investor Participant)*

For Public Offer shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS Participant.

- *If you are applying as a CCASS Investor Participant*

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 7 December 2017 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) *If you apply through HK eIPO White Form service*

If you apply for 1,000,000 Public Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from our Hong Kong Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 7 December 2017, or such other date as notified by the Company in the newspapers as the date of despatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Thursday, 7 December 2017 by ordinary post at your own risk.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) *If you apply via Electronic Application Instructions to HKSCC*

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who **gives electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, 7 December 2017, or, on any other date determined by HKSCC or HKSCC Nominees.
- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer in the manner specified in "11. Publication of Results" above on Thursday, 7 December 2017. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 7 December 2017 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Thursday, 7 December 2017.

HOW TO APPLY FOR THE PUBLIC OFFER SHARES AND THE EMPLOYEE RESERVED SHARES

Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, 7 December 2017.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the GEM Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, from the independent reporting accountants, Moore Stephens CPA Limited, Certified Public Accountants, Hong Kong:

MOORE STEPHENS

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27 November 2017

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ICICLE GROUP HOLDINGS LIMITED AND SUCCESS NEW SPRING CAPITAL LIMITED

We report on the historical financial information of Icicle Group Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-52, which comprises the consolidated statements of financial position of the Group as at 31 December 2015 and 2016 and 31 May 2017, the statement of financial position of the Company as at 31 May 2017, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2015 and 2016 and the five months ended 31 May 2017 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-52 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 27 November 2017 (the "Prospectus") in connection with the initial listing of shares of the Company on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2.2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2.2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2015 and 2016 and 31 May 2017 and the Company's financial position as at 31 May 2017 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2.2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the five months ended 31 May 2016 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2.2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410

“Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2.2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which contains information about the dividends declared or paid by a subsidiary of the Company and states that no dividends have been paid by the Company in respect of the Track Record Period.

No historical financial statements for the Company

No financial statements have been prepared for the Company since its date of incorporation.

Moore Stephens CPA Limited

Certified Public Accountants

Hung, Wan Fong Joanne

Practising Certificate Number: P05419

Hong Kong

HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by Moore Stephens CPA Limited under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

Consolidated Statements of Comprehensive Income

	Notes	Year ended 31 December		Five months ended 31 May	
		2015	2016	2016	2017
		HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Continuing operation					
Revenue	7	85,676	90,955	32,720	28,287
Other income and gains	7	271	777	244	476
Outsourced project costs		(30,689)	(31,832)	(10,430)	(7,765)
Materials and consumables		(12,767)	(11,075)	(4,358)	(3,774)
Listing expenses		—	(1,887)	(500)	(6,367)
Depreciation and amortisation expenses		(1,999)	(1,610)	(687)	(658)
Employee benefit expenses		(17,607)	(17,485)	(6,986)	(7,656)
Rental expenses		(4,083)	(4,780)	(1,956)	(1,926)
Transportation fee		(7,180)	(7,200)	(2,661)	(2,469)
Other operating expenses		(3,334)	(4,570)	(1,627)	(1,243)
Profit/(loss) before tax from continuing operation	8	8,288	11,293	3,759	(3,095)
Income tax expense	10	(1,609)	(2,149)	(585)	(690)
Profit/(loss) after tax for the year/ period from continuing operation		6,679	9,144	3,174	(3,785)
Discontinued operation					
Loss after tax for the year/period from discontinued operation	11	(1,001)	—	—	—
Profit/(loss) after tax for the year/ period		5,678	9,144	3,174	(3,785)
Other comprehensive income:					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operation		(456)	(618)	(175)	131
Item that were reclassified to profit or loss:					
Exchange differences reclassified to profit or loss upon disposal of a subsidiary	25	114	—	—	—
Total comprehensive income for the year/period		5,336	8,526	2,999	(3,654)

	<u>Year ended 31 December</u>		<u>Five months ended 31 May</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
<i>Notes</i>			(unaudited)	
Profit/(loss) after tax for the year/ period attributable to:				
Owners of the Company	5,929	9,144	3,174	(3,785)
Non-controlling interest	<u>(251)</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>5,678</u>	<u>9,144</u>	<u>3,174</u>	<u>(3,785)</u>
Total comprehensive income for the year/period attributable to:				
Owners of the Company	5,591	8,526	2,999	(3,654)
Non-controlling interest	<u>(255)</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>5,336</u>	<u>8,526</u>	<u>2,999</u>	<u>(3,654)</u>

Consolidated Statements of Financial Position

	Notes	At 31 December		At 31 May
		2015	2016	2017
		HK\$'000	HK\$'000	HK\$'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	14	1,686	1,052	828
Intangible assets	15	1,661	935	664
		<u>3,347</u>	<u>1,987</u>	<u>1,492</u>
Current assets				
Inventories	16	—	—	346
Trade and other receivables, deposits and prepayments	17	20,242	17,541	21,539
Amount due from an immediate holding company	18	980	—	—
Amounts due from related companies	18	1,148	1,845	287
Cash and cash equivalents	19	26,776	36,678	24,462
		<u>49,146</u>	<u>56,064</u>	<u>46,634</u>
Current liabilities				
Trade and other payables, accruals and deposits received	20	11,872	14,429	10,705
Amounts due to shareholders	18	—	—	11,991
Current tax payable		505	913	1,454
Provision of long service payment		577	577	497
		<u>12,954</u>	<u>15,919</u>	<u>24,647</u>
Net current assets		<u>36,192</u>	<u>40,145</u>	<u>21,987</u>
Total assets less current liabilities		<u>39,539</u>	<u>42,132</u>	<u>23,479</u>
Non-current liabilities				
Deferred tax liabilities	21	278	—	—
Net assets		<u>39,261</u>	<u>42,132</u>	<u>23,479</u>
CAPITAL AND RESERVES				
Share capital	22	—	—	—*
Reserves	23	39,261	42,132	23,479
Total equity		<u>39,261</u>	<u>42,132</u>	<u>23,479</u>

* Less than HK\$1,000

Statement of Financial Position

		<u>At 31 May</u>
		<u>2017</u>
	<i>Notes</i>	<u>HK\$'000</u>
ASSETS AND LIABILITIES		
Current asset		
Amount due from a shareholder	18	—*
Net assets		<u>—*</u>
EQUITY		
Share capital	22	—*
Total equity		<u>—*</u>

* Less than HK\$1,000

Consolidated Statements of Changes in Equity

	Attributable to owners of the Company					Non-controlling interest HK\$'000	Total equity HK\$'000
	Share capital	Capital reserve	Translation reserve	Retained earnings	Total		
	HK\$'000 (Note 22)	HK\$'000 (Note 23)	HK\$'000 (Note 23)	HK\$'000	HK\$'000		
Balance at 1 January 2015	—	8,153	(110)	25,627	33,670	205	33,875
Profit after tax for the year	—	—	—	5,929	5,929	(251)	5,678
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	—	—	(452)	—	(452)	(4)	(456)
Exchange differences reclassified to profit or loss upon disposal of a subsidiary (Note 11)	—	—	114	—	114	—	114
Total comprehensive income for the year	—	—	(338)	5,929	5,591	(255)	5,336
Disposal of a subsidiary (Note 25)	—	—	—	—	—	50	50
Balance at 31 December 2015 and 1 January 2016	—	8,153	(448)	31,556	39,261	—	39,261
Profit after tax for the year	—	—	—	9,144	9,144	—	9,144
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	—	—	(618)	—	(618)	—	(618)
Total comprehensive income for the year	—	—	(618)	9,144	8,526	—	8,526
Issuance of shares by Icicle Group	—	3,840	—	—	3,840	—	3,840
Interim dividends (Note 12)	—	—	—	(9,495)	(9,495)	—	(9,495)
Balance at 31 December 2016 and 1 January 2017	—	11,993	(1,066)	31,205	42,132	—	42,132
Loss after tax for the period	—	—	—	(3,785)	(3,785)	—	(3,785)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	—	—	131	—	131	—	131
Total comprehensive income for the period	—	—	131	(3,785)	(3,654)	—	(3,654)
Issuance of share upon incorporation	—*	—	—	—	—*	—	—*
Interim dividends (Note 12)	—	—	—	(14,999)	(14,999)	—	(14,999)
Balance at 31 May 2017	—*	11,993	(935)	12,421	23,479	—	23,479

* Less than HK\$1,000

	Attributable to owners of the Company				Total	Non-controlling interest	Total equity
	Share capital	Capital reserve	Translation reserve	Retained earnings			
	HK\$'000 (Note 22)	HK\$'000 (Note 23)	HK\$'000 (Note 23)	HK\$'000			
Balance at 1 January 2016	—	8,153	(448)	31,556	39,261	—	39,261
Profit after tax for the period (unaudited)	—	—	—	3,174	3,174	—	3,174
Other comprehensive income: Exchange differences arising on translation of foreign operations (unaudited)	—	—	(175)	—	(175)	—	(175)
Total comprehensive income for the period (unaudited)	—	—	(175)	3,174	2,999	—	2,999
Balance at 31 May 2016 (unaudited)	—	8,153	(623)	34,730	42,260	—	42,260

* Less than HK\$1,000

Consolidated Statements of Cash Flows

	Notes	Year ended 31 December		Five months ended 31 May	
		2015	2016	2016	2017
		HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Cash flows from operating activities					
Profit/(loss) before tax					
— from continuing operation		8,288	11,293	3,759	(3,095)
— from discontinued operation		(1,001)	—	—	—
		<u>7,287</u>	<u>11,293</u>	<u>3,759</u>	<u>(3,095)</u>
Adjustments for:					
Amortisation of intangible assets	8	792	764	334	294
Depreciation of property, plant and equipment		1,261	846	353	364
Gain on disposal of property, plant and equipment	7	(12)	(25)	(5)	—
Interest income	7	(20)	(24)	(5)	(6)
Loss on disposal of a subsidiary	25	44	—	—	—
Net exchange loss/(gain)	8	63	630	16	(80)
Provision/(reversal of provision) for long service payment		<u>17</u>	<u>—</u>	<u>—</u>	<u>(80)</u>
Operating profit/(loss) before working capital changes		<u>9,432</u>	<u>13,484</u>	<u>4,452</u>	<u>(2,603)</u>
Increase in inventories		—	—	—	(346)
Decrease/(increase) in trade and other receivables, deposits and prepayments		3,206	2,071	5,613	(3,918)
(Increase)/decrease in amounts due from related companies		(660)	(697)	(431)	1,558
(Decrease)/increase in trade and other payables, accruals and deposits received		<u>(390)</u>	<u>2,557</u>	<u>(1,751)</u>	<u>(3,724)</u>
Cash generated from/(used in) operations		<u>11,588</u>	<u>17,415</u>	<u>7,883</u>	<u>(9,033)</u>
Income tax paid		<u>(606)</u>	<u>(2,019)</u>	<u>(44)</u>	<u>(149)</u>
Net cash generated from/(used in) operating activities		<u>10,982</u>	<u>15,396</u>	<u>7,839</u>	<u>(9,182)</u>

	<i>Notes</i>	<u>Year ended 31 December</u>		<u>Five months ended 31 May</u>	
		<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
		<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u> (unaudited)	<u>HK\$'000</u>
Cash flows from investing activities					
Interest received		20	24	5	6
Proceeds from disposal of property, plant and equipment		38	25	5	—
Acquisition of property, plant and equipment		(1,644)	(213)	(137)	(140)
Additions of intangible assets		(321)	(38)	(34)	(23)
(Advanced to)/repayment from an immediate holding company		(980)	980	—	—
Disposal of a subsidiary, net of cash and cash equivalents disposed of	25	(226)	—	—	—
Net cash (used in)/generated from investing activities		<u>(3,113)</u>	<u>778</u>	<u>(161)</u>	<u>(157)</u>
Cash flows from financing activities					
Dividends paid	12	—	(9,495)	—	(3,000)
Advanced from a shareholder		—	—	—	(8)
Proceeds from issuance of shares by Icicle Group		—	3,840	—	—
Net cash used in financing activities		<u>—</u>	<u>(5,655)</u>	<u>—</u>	<u>(3,008)</u>
Net increase/(decrease) in cash and cash equivalents		7,869	10,519	7,678	(12,347)
Cash and cash equivalents at beginning of the year/period		19,365	26,776	26,776	36,678
Effect of foreign exchange rate changes		<u>(458)</u>	<u>(617)</u>	<u>(177)</u>	<u>131</u>
Cash and cash equivalents at end of the year/period		<u>26,776</u>	<u>36,678</u>	<u>34,277</u>	<u>24,462</u>
Analysis of cash and cash equivalents					
Bank balances and cash in hand		<u>26,776</u>	<u>36,678</u>	<u>34,277</u>	<u>24,462</u>

NOTES TO HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited company incorporated in the Cayman Islands on 20 January 2017. The registered office of the Company is located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The Company's principal place of business is located at Unit 4, 12/F., 18 King Wah Road, North Point, Hong Kong.

The Company is an investment holding company. The principal activity of the Group is provision of marketing production services. The Group was also engaged in provision of web and mobile media production in Taiwan which was discontinued during the year ended 31 December 2015 (Note 11).

During the Track Record Period and before the reorganisation (the "Reorganisation") described in Note 2.1, in the opinion of the directors of the Company, the ultimate holding company is Gooseberries Limited (formerly known as Icicle Holdings Limited (冰雪控股有限公司)), a company incorporated in Hong Kong. Immediately after the Reorganisation, in the opinion of the directors of the Company, the ultimate holding company is changed to Explorer Vantage Limited ("Explorer Vantage"), a company incorporated in the British Virgin Islands ("BVI"). Ms. Woo Chan Tak Chi Bonnie ("Ms. Bonnie Chan Woo"), being the major shareholder of Gooseberries Limited and Explorer Vantage, is the ultimate controlling shareholder during the Track Record Period and before and after the Reorganisation.

As of the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation as it has not been involved in any significant business transactions except for the Reorganisation described in Note 2.1.

The Company and its subsidiaries have adopted 31 December as their financial year end date.

As at the date of this report, the Company has direct and indirect interests in the following subsidiaries, all of which are companies with limited liability. The particulars of which are set out as follows:

Name of the subsidiary	Place and date of incorporation/ establishment	Particulars of issued and fully paid-up share capital/ registered capital	Attributable equity interest of the Group			Principal activities and place of operation
			As at 31 December		As at 31 May	
			2015	2016	2017	
<i>Directly held:</i>						
Icicle Group Limited ("Icicle Group") (Note (a))	The BVI 29 May 2013	United States dollars ("US\$") 113	100%	100%	100%	100% Investment holding
<i>Indirectly held:</i>						
Icicle Production Company Limited ("Icicle Production") (Note (b))	Hong Kong 23 April 1991	HK\$1,000,010	100%	100%	100%	100% Provision of marketing production services in Hong Kong
Icicle Print Management Limited (Note (b))	Hong Kong 8 November 2007	HK\$10	100%	100%	100%	100% Investment holding

Name of the subsidiary	Place and date of incorporation/ establishment	Particulars of issued and fully paid-up share capital/ registered capital	Attributable equity interest of the Group				Principal activities and place of operation
			As at 31 December		As at 31 May	At the date of this report	
			2015	2016	2017		
Beijing Icicle Brand Management Company Limited* (北京冰雪品牌管理有限公司) (“Icicle Beijing”) (formerly known as Beijing Icicle Printing Consulting Company Limited* (北京冰雪印刷諮詢有限公司)) (Note (c))	The People's Republic of China (excluding Hong Kong, Taiwan and Macau) (“PRC”) 31 July 2008	HK\$1,000,000	100%	100%	100%	100%	Provision of brand management and print consulting services in the PRC
Icicle Europe Limited (Note (a))	England and Wales 7 November 2013	Euro 1	100%	— (Note (e))	— (Note (e))	— (Note (e))	Provision of professional print management services and consultancy services in the United Kingdom
Icicle Print Management (Macau) Limited (“Icicle Macau”)	Macau 14 December 2006	Pataca 100,000	— (Note (e))	— (Note (e))	— (Note (e))	— (Note (e))	Printing service and management, advertising design and production in Macau
Icicle Pte. Ltd. (Note (d))	Singapore 6 June 2013	Singapore dollar 1	100%	— (Note (e))	— (Note (e))	— (Note (e))	Provision of marketing production services in Singapore
Win Win Media Holdings Limited* (“Win Win Media”) (定羸傳媒股份有限公司)	Taiwan 28 December 2009	New Taiwan dollar (“NTD”) 12,000,000	— (Note (f))	— (Note (f))	— (Note (f))	— (Note (f))	Provision of web and mobile media production in Taiwan

* The English name of the subsidiaries established in the PRC and Taiwan represent management's best effort at translating the Chinese name of such subsidiaries as no English name has been registered.

Notes:

- (a) No audited financial statements have been prepared for these companies since their respective dates of incorporation as they are not subject to statutory audit requirements under their places of incorporation.
- (b) The statutory financial statements of these companies for the years ended 31 December 2015 and 2016 were audited by Moore Stephens CPA Limited, certified public accountants. These statutory financial statements were prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

- (c) The statutory financial statements of this company for the years ended 31 December 2015 and 2016 were audited by Beijing Zhongqiheng Certified Public Accountants Co., Limited (北京中啟恆會計師事務所有限公司), a firm of certified public accountants registered in the PRC. These statutory financial statements were prepared in accordance with relevant accounting principles and accounting rules applicable to enterprises established in the PRC.
- (d) No audited financial statements have been prepared for this company for the year ended 31 December 2015 in accordance with statutory audit requirements under its place of incorporation as it is not involved in any significant business transactions and became dormant during the year ended 31 December 2015.
- (e) Icicle Macau, Icicle Europe Limited and Icicle Pte. Ltd. were dissolved on 1 December 2015, 8 March 2016 and 5 December 2016 respectively.
- (f) On 3 April 2014, the Company acquired 73.75% equity interest in Win Win Media for cash consideration of NTD3,000,000 (equivalent to approximately HK\$766,000). As agreed with the original shareholders of Win Win Media, the Group disposed all 73.75% equity interest in Win Win Media back to the original shareholders of Win Win Media for a cash consideration of NTD3,000,000 (equivalent to approximately HK\$766,000) on 30 September 2015 (Note 11).

2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION

2.1 Group reorganisation

The companies comprising the Group underwent a reorganisation to rationalise the Group's structure in preparation for the listing of the shares of the Company on the GEM of the Stock Exchange. The Reorganisation involved the followings:

Incorporation of Explorer Vantage

On 13 June 2016, Explorer Vantage was incorporated in the BVI. Ms. Bonnie Chan Woo subscribed for one ordinary share of US\$1.00 representing the entire issued share capital in Explorer Vantage and became its sole shareholder on 21 July 2016.

Acquisition of Icicle Group by Explorer Vantage

Pursuant to a sale and purchase agreement dated 28 July 2016 entered into between Gooseberries Limited, the then shareholder of Icicle Group, as the vendor and Explorer Vantage as the purchaser, Explorer Vantage acquired 8,500 ordinary shares of US\$0.01 each representing 75% of the entire issued share capital of Icicle Group at a consideration of HK\$31,390,000, with reference to the net asset value of Icicle Group as at 31 March 2016.

On 28 July 2016, Ms. Bonnie Chan Woo transferred 1,133 ordinary shares of US\$0.01 each representing 10% of the entire issued share capital of Icicle Group to Explorer Vantage at a consideration of HK\$4,185,000, with reference to the net asset value of Icicle Group as at 31 March 2016.

Immediately upon completion of the acquisition as mentioned above, Icicle Group was owned as to 85% by Explorer Vantage and 15% by Hertford Global Limited ("Hertford Global").

Subscription by Hertford Global

Icicle Group and Hertford Global entered into a subscription agreement on 22 December 2016 for the subscription of 1,177 new ordinary shares of US\$0.01 each in the share capital of Icicle Group representing 9.4% of the enlarged share capital of Icicle Group for a consideration of HK\$3,840,000, with reference to its investment cost in June 2013, which was paid in cash. Immediately upon completion of the subscription of shares, Icicle Group was owned as to approximately 77% by Explorer Vantage and approximately 23% by Hertford Global.

Incorporation of the Company as a listing vehicle

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 20 January 2017 to act as the proposed listing vehicle. As at the date of incorporation, the Company had an authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each, and one share was allotted and issued to Explorer Vantage, credited as nil paid.

Transfer of Icicle Group to the Company

On 16 November 2017, Explorer Vantage and Hertford Global transferred 9,633 ordinary shares and 2,877 ordinary shares of Icicle Group respectively, representing the entire issued share capital of Icicle Group, to the Company. In consideration of the transfer, the Company allotted and issued 76 ordinary shares and 23 ordinary shares in the Company to Explorer Vantage and Hertford Global, respectively. All the shares in issue (including the first subscriber share held by Explorer Vantage) will be credited as fully paid at par.

Following the above steps, the Company continued to be owned as to approximately 77% and 23% by Explorer Vantage and Hertford Global, respectively, and Icicle Group became the Company's direct wholly-owned subsidiary.

2.2 Basis of preparation and presentation

The Historical Financial Information set out in this report has been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the HKICPA. The Historical Financial Information also comply with the applicable disclosure requirements of the Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 16 November 2017. The Group is regarded as a continuing entity resulting from the Reorganisation since the insertion of the Company as the new holding company at the top of Icicle Group has no commercial substance and does not form a business combination. Accordingly, the Historical Financial Information has been prepared using the principles of merger accounting as if the Reorganisation had occurred as of the beginning of the earliest period presented and the current group structure had always been in existence.

The consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the Track Record Period include the results, changes in equity and cash flows of companies within the Group as if the current group structure had been in existence throughout the Track Record Period, or since their date of establishment, incorporation or acquisition, where applicable. The consolidated statements of financial position of the Group as at 31 December 2015 and 2016 and 31 May 2017 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates taking into account the respective date of establishment, incorporation or acquisition, where applicable.

The assets and liabilities of the companies comprising the Group are consolidated using the existing book values. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the Reorganisation.

All significant intra-group transactions, balances and unrealised gains on transactions have been eliminated on consolidation. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

The Historical Financial Information has been prepared on historical cost basis. The Historical Financial Information is presented in Hong Kong dollar ("HK\$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

It should be noted that accounting estimates and assumptions have been used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are set out in Note 5 "Significant accounting judgements and estimates".

3. NEW AND REVISED HKFRSs NOT YET ADOPTED

The HKICPA has issued a number of new and revised HKFRSs which were relevant to the Group and became effective during the Track Record Period. In preparing the Financial Information, the Group has applied all these new and revised HKFRSs which are effective for the Group's accounting period beginning on 1 January 2017, consistently throughout the Track Record Period to the extent required or allowed by transitional provisions in the HKFRSs.

At the date of this report, certain new and amended HKFRSs have been issued but are not yet effective, and have not been applied early by the Group.

		Effective for annual reporting periods beginning on or after
HKFRS 10 and HKAS 28 (2011) Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined*
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle	1 January 2018
HKAS 40 Amendments	Transfers of Investment Property	1 January 2018
HKFRS 2 Amendments	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 Amendments	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 Amendments	Clarifications to HKFRS 15 Revenue from Contracts with Customers	1 January 2018
HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HKFRS 16	Leases	1 January 2019
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019

* *On 6 January 2016, the HKICPA issued "Effective Date of Amendments to HKFRS 10 and HKAS 28", following the International Accounting Standards Board's equivalent amendments. This update defers/removes the effective date of the amendments in "Sale or Contribution of Assets between an Investor or its Associate or Joint Venture" that the HKICPA issued on 7 October 2014. Early application of these amendments continues to be permitted.*

The Group has already commenced an assessment of the related impact of adopting the above new and revised HKFRSs. So far, it has concluded that the above new and revised HKFRSs will be adopted at the respective effective dates and the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group except for the following:

HKFRS 9 "Financial Instruments"

HKFRS 9 has introduced new requirements for a) classification and measurement of financial assets, b) impairment of financial assets and c) general hedge accounting.

Specifically, with regard to the classification and measurement of financial assets, HKFRS 9 requires all recognised financial assets that are within the scope of HKFRS 9 to be subsequently measured at amortised cost or fair value. Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of each of the subsequent accounting periods. Debt investments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. Further, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and that cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

With regard to impairment of financial assets, HKFRS 9 has adopted an expected credit loss model, as opposed to an incurred credit loss model required under HKAS 39. In general, the expected credit loss model requires an entity to assess the change in credit risk of the financial asset since initial recognition at each reporting date and to recognise the expected credit loss depending on the degree of the change in credit risk.

With regard to the general hedge accounting requirements, HKFRS 9 retains the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The management of the Group expects that the adoption of HKFRS 9 is unlikely to result in significant impact on the Group's result but it may affect related disclosures made in the Group's consolidated financial statements.

HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The management of the Group expects that the adoption of HKFRS 15 is unlikely to result in significant impact on the Group's result but it may affect related disclosures made in the Group's consolidated financial statements.

HKFRS 16 "Leases"

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees. The new standard maintains substantially the lessor accounting requirements in the current standard.

A lessee is required to recognise a right-of-use asset and a lease liability at the commencement of lease arrangement. Right-of-use asset includes the amount of initial measurement of lease liability, any lease payment made to the lessor at or before the lease commencement date, estimated cost to be incurred by the lessee for dismantling or removing the underlying assets from and restoring the site, as well as any other initial direct cost incurred by the lessee. Lease liability represents the present value of the lease payments. Subsequently, depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 "Property, Plant and Equipment", while lease liability will be increased by the interest accrual, which will be charged to profit or loss, and deducted by lease payments.

The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The total operating lease commitments of the Group in respect of leased properties and office equipments as at 31 December 2015 and 2016 and 31 May 2017 amounted to HK\$9,227,000, HK\$7,190,000 and HK\$5,356,000 respectively, as set out in Note 26. The management of the Group expects that the adoption of HKFRS 16 is unlikely to result in significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statements of financial position as right-of-use assets and lease liabilities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Historical Financial Information are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 Basis of consolidation and subsidiaries

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries comprising the Group for the Track Record Period. As explained in Note 2.2 above, the Reorganisation is accounted for using merger basis of accounting.

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee; exposure, or rights, to variable returns from the investee; and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the Historical Financial Information. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and each component of other comprehensive income are attributed to owners of the Company and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

Non-controlling interests are presented in the consolidated statements of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statements of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year/period between non-controlling interests and the owners of the Company.

4.2 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Depreciation is provided on the straight-line method, based on the estimated economic useful life of the individual asset, as follows:

Leasehold improvements	33% per annum, or over the term of the leases if shorter
Plant and machinery	33% per annum
Furniture, fixtures and office equipment	16% to 33% per annum

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statements of comprehensive income in the year/period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

4.3 Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and accumulated impairment losses, if any. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statements of comprehensive income when the asset is derecognised.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for an internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is charged to consolidated statements of comprehensive income in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

4.4 Financial instruments

Financial assets

The Group's financial assets include trade and other receivables, deposits, amounts due from an immediate holding company, a shareholder and related companies and cash and cash equivalents are classified and accounted for as loans and receivables. Financial assets are recognised on the trade date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period, subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses.

Derecognition of financial assets occurs when the rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment loss on loans and receivables is recognised when there is objective evidence that the Group will not be able to collect all the amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows. The loss arising from impairment is recognised in the consolidated statements of comprehensive income.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

The Group's financial liabilities include trade and other payables and accruals and amounts due to shareholders. Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognised at fair value, net of transactions costs incurred and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expired.

4.5 Impairment of non-financial assets

Where an indication of impairment exists (other than inventories), the recoverable amount of the asset is estimated. An asset's recoverable amount is the higher of the value in use of the asset or cash-generating unit to which it belongs and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised in the consolidated statements of comprehensive income whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable

amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to the consolidated statements of comprehensive income in the year/period in which it arises.

4.6 Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Operating lease charges

Where the Group has use of assets held under operating leases, payments made under the leases are charged to the profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the consolidated statements of comprehensive income as an integral part of the aggregate net lease payments made. Contingent rentals, if any, are charged to the profits or loss in the accounting period in which they are incurred.

4.7 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

4.8 Inventories

Inventories, which consist of finished goods, are stated at the lower of cost and net realisable value. Cost is determined using first-in, first-out basis and includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

4.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, as follows:

Revenue from provision of marketing production services is recognised when the services are performed to the satisfaction of the customers, which is evidenced when the end products created by these services are delivered to the satisfaction of the customers.

Income from sales of paper products and calligraphy stationery is recognised on the transfer of risk and rewards of ownership, which is at the time of delivery and the title is passed to customer.

Income from provision of art and calligraphy workshop is recognised when the service is performed.

Administrative service income is recognised when services are provided.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

4.10 Income taxes

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investment in a subsidiary, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investment in a subsidiary, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.11 Foreign currency translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statements of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item. The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period, and their income and expense items are translated into Hong Kong dollars at the weighted average exchange rates for the year/period.

The resulting exchange differences are recorded in other comprehensive income and the cumulative balance is included in translation reserve in the consolidated statements of changes in equity. On disposal of a foreign operation, the deferred cumulative amount recognised in translation reserve relating to that particular foreign operation is recognised in the consolidated statements of comprehensive income. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year/period are translated into Hong Kong dollars at the weighted average exchange rates for the year/period.

4.12 Employee benefits

(i) *Short-term employee benefits*

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year/period in which the associated services are rendered by employees.

(ii) *Defined contribution retirement plan obligations*

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

The employees of the subsidiaries within the Group which operate in the PRC are required to participate in the central pension scheme operated by the local municipal government. These PRC subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme as specified by the local municipal government. The contributions are charged to the consolidated statements of comprehensive income as they become payable in accordance with the rules of the central pension scheme.

(iii) *Employee long service payment*

The provision for long service is provided based on the employees' basic salaries and their respective length of service in accordance with the applicable rules and regulations in their respective countries of employment.

(iv) *Share-based payments*

The fair value of share options granted to employees is recognised as employee benefits with a corresponding increase in equity. The fair value is measured at grant date taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year/period of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the equity. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to equity) except where forfeiture is only due to not achieving vesting conditions. The equity amount is recognised until either the option is exercised (when it is transferred to share capital and share premium accounts) or the option expires (when it is released directly to retained earnings).

4.13 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4.14 Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Group's parent;

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

4.15 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

The measurement policies of the Group uses for reporting segment results under HKFRS 8 "Operating Segments" are the same as those used in its financial statements prepared under HKFRSs.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Historical Financial Information requires the directors of the Company 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.

The following items are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

The principal activities of the Group are provision of marketing production services for the production of branding materials and contents, gearing towards connecting the consumer markets to the brands. The services encompass a wide spectrum of coverage, including concept development, art and design, design engineering, sourcing, production, quality control, overall project management and consultancy services.

The end products created by the services provided are unique, specified to each customer and involved high personal preference. As such, before the acceptance of the end products by the customers, it is uncertain that the Group would have the right to receive consideration from the customers. As such, the management considered that revenue recognised based on the stage of completion does not best fit their business operation. In the light of the relatively short duration of each project, the directors of the Company have determined that it is more appropriate to defer recognition of revenue until the end products are delivered to the satisfaction of the customers.

Capitalisation of intangible assets

Cost incurred on development projects are recognised as intangible assets when it is probable that the projects will be successful considering the criteria set out in Note 4.3. The Group's development activities are tracked by its information technology department and documented to support the basis of determining if and when the criteria were met.

Estimated impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that non-financial assets with definite lives may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets in accordance with the accounting policy stated in Note 4.5. In assessing whether there is any indication that non-financial assets may be impaired, the Group considers indications from both internal and external sources of information such as evidence of obsolescence or decline in economic performance of the assets, changes in market conditions and economic environment. These assessments are subjective and require management's judgements and estimations.

Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated or amortised on a straight-line basis over the estimated useful lives of the assets, after taking into account their estimated residual values. The Group reviews the estimated useful lives of the assets regularly. The estimated useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

Estimated impairment of financial assets

The Group determines impairment losses for bad and doubtful debts resulting from the inability of the customers/debtors to make the required payments. A considerable amount of estimate and judgement is required in assessing the ultimate realisation of these receivables which is based on the ageing of the receivable balance, customer/debtor credit-worthiness, and historical write-off experience. If the financial conditions of customers/debtors deteriorate, additional allowance for bad and doubtful debts may be required.

Provision for income taxes

The Group is subject to income taxes in jurisdictions in which the company operates. Significant judgement is required in determining the tax liabilities to be recognised. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises provisions for tax based on estimates of the taxes that are likely to become due. The Group believes that its provision for tax is adequate for the Track Record Period

based on its assessment of many factors including past experience and interpretations of tax law. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

6. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors, who are the chief operating decision makers, in order to allocate resources and assess performance of the segment. For the Track Record Period, excluding the business in Taiwan which was discontinued and detailed in Note 11, executive directors of the Company regularly review the consolidated financial position, revenue from provision of marketing production services and results of the Group as a whole for the purposes of allocating resources and assessing performance of the Group as a whole.

Therefore, the directors of the Company consider the Group as one single operating segment during the Track Record Period which is provision of marketing production services. This operating segment comprises three service categories including (a) physical media production and management; (b) digital media production; and (c) cross media development. The following table sets forth the breakdown of the Group's revenue from continuing operation by service category during the Track Record Period:

	Year ended 31 December		Five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Continuing operation				
Physical media production and management				
— Printing, packaging and sourcing	76,153	81,421	29,490	25,166
— Visual merchandising, retail displays and venue decoration	2,448	1,175	674	736
	78,601	82,596	30,164	25,902
Digital media production	2,153	3,043	727	1,318
Cross media development	4,922	5,316	1,829	1,067
	85,676	90,955	32,720	28,287

Geographical information

The Company is an investment holding company and the principal place of the Group's operation from continuing operation is mainly in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its country of domicile.

As at 31 December 2015 and 2016 and 31 May 2017, non-current assets are mainly located in Hong Kong.

Revenue by geographical location of customers, which is based on the principal place of the customers' operation, is set out below:

	<u>Year ended 31 December</u>		<u>Five months ended 31 May</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u> (unaudited)	<u>HK\$'000</u>
Continuing operation				
Hong Kong	71,020	82,221	28,823	25,398
The PRC	4,910	2,687	1,264	863
Others	<u>9,746</u>	<u>6,047</u>	<u>2,633</u>	<u>2,026</u>
	<u>85,676</u>	<u>90,955</u>	<u>32,720</u>	<u>28,287</u>

Information about major customers

The Group had transactions with the following customers, which contributed more than 10% of the Group's revenue from continuing operation for the Track Record Period:

	<u>Year ended 31 December</u>		<u>Five months ended 31 May</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u> (unaudited)	<u>HK\$'000</u>
Continuing operation				
Customer A	19,328	20,569	5,992	7,329
Customer B	<u>16,746</u>	<u>20,515</u>	<u>6,649</u>	<u>6,326</u>

7. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the fees received and receivable during the Track Record Period from continuing operation as follows:

	Year ended 31 December		Five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Continuing operation				
Revenue				
Revenue from provision of marketing production services	85,676	90,955	32,720	28,287
Other income and gains				
Gain on disposal of property, plant and equipment	12	25	5	—
Interest income	20	24	5	6
Administrative service income	195	697	211	88
Income from sales of paper products and calligraphy stationery	—	—	—	164
Income from provision of art and calligraphy workshop	—	—	—	133
Net exchange gain	—	—	—	80
Sundry income	44	31	23	5
	<u>271</u>	<u>777</u>	<u>244</u>	<u>476</u>

8. PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATION

Profit/(loss) before tax from continuing operation is arrived at after charging/(crediting):

	Year ended 31 December		Five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Continuing operation				
Amortisation of intangible assets	792	764	334	294
Auditor's remuneration	130	130	—	—
Depreciation of property, plant and equipment	1,207	846	353	364
Minimum lease payments under operating lease charges for:				
— properties	2,664	3,142	1,296	1,295
— office equipments	1,120	1,499	584	562
Contingent rents for office equipments	299	139	76	69
Net exchange loss/(gain)	63	630	16	(80)
Research and development cost	38	—	—	—
Less: development cost capitalised into intangible assets	(38)	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

	Year ended 31 December		Five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Employee benefit expense (including directors' remuneration (<i>Note 9(a)</i>))				
— Salaries, allowances and benefits in kind	15,921	15,471	6,348	6,978
— Discretionary bonus	773	1,302	343	373
— Retirement benefit scheme contributions	913	712	295	305
	<u>17,607</u>	<u>17,485</u>	<u>6,986</u>	<u>7,656</u>

9. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT

(a) Directors and chief executive emoluments

Pursuant to the GEM Listing Rules, Section 383(1)(a), (b), (c) and (f) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, details of emoluments paid by the entities comprising the Group to the directors of the Company are as follows:

	Directors' fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	HK\$'000	HK\$'000 (<i>Note (i)</i>)	HK\$'000	HK\$'000
Year ended 31 December 2015				
Executive director				
Ms. Bonnie Chan Woo (<i>Note (ii)</i>)	—	180	9	189
Non-executive director				
Mr. Chow Sai Yiu Evan	—	—	—	—
	<u>—</u>	<u>180</u>	<u>9</u>	<u>189</u>
Year ended 31 December 2016				
Executive directors				
Ms. Bonnie Chan Woo (<i>Note (ii)</i>)	—	180	9	189
Non-executive director				
Mr. Chow Sai Yiu Evan	—	—	—	—
	<u>—</u>	<u>180</u>	<u>9</u>	<u>189</u>

	<u>Directors'</u> <u>fees</u> <u>HK\$'000</u>	<u>Salaries,</u> <u>allowances</u> <u>and benefits</u> <u>in kind</u> <u>HK\$'000</u> <i>(Note (i))</i>	<u>Retirement</u> <u>benefit</u> <u>scheme</u> <u>contributions</u> <u>HK\$'000</u>	<u>Total</u> <u>HK\$'000</u>
Five months ended 31 May 2016				
(unaudited)				
Executive directors				
Ms. Bonnie Chan Woo <i>(Note (ii))</i>	—	75	4	79
Non-executive director				
Mr. Chow Sai Yiu Evan	—	—	—	—
	<u>—</u>	<u>75</u>	<u>4</u>	<u>79</u>
Five months ended 31 May 2017				
Executive directors				
Ms. Bonnie Chan Woo <i>(Note (ii))</i>	—	200	8	208
Non-executive director				
Mr. Chow Sai Yiu Evan	—	—	—	—
Independent non-executive director				
Mr. Hung Alan Hing Lun	19	—	—	19
	<u>19</u>	<u>200</u>	<u>8</u>	<u>227</u>

Notes:

- (i) Salaries, allowances and benefits in kind are generally emoluments paid in respect of the directors' other services in connection with the management of the affairs of the subsidiaries of the Company.
- (ii) Ms. Bonnie Chan Woo is the chief executive of the Company.

Ms. Bonnie Chan Woo and Mr. Chow Sai Yiu Evan were appointed as an executive director and a non-executive director of the Company on 20 January 2017 respectively. Mr. Hung Alan Hing Lun was appointed as an independent non-executive director of the Company on 3 April 2017. Mr. Ip Arnold Tin Chee and Mr. Man Ka Ho Donald were appointed as independent non-executive directors of the Company on 16 November 2017.

The Company did not have any executive directors, non-executive directors and independent non-executive directors at any time before 20 January 2017 since the Company was only incorporated on 20 January 2017.

The emoluments shown above represent emoluments received or receivable from the Group by these directors in their capacity as directors of companies comprising the Group during the Track Record Period.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Track Record Period.

During the Track Record Period, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

(b) Five highest paid individuals emoluments

The emoluments of the five highest paid individuals for each of the years ended 31 December 2015 and 2016 and the five months ended 31 May 2016 and 2017, none of them are directors of the Company, are analysed below:

	<u>Year ended 31 December</u>		<u>Five months ended 31 May</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u> (unaudited)	<u>HK\$'000</u>
Salaries, allowances and benefits in kind	2,958	2,835	1,121	1,440
Discretionary bonus	253	337	22	37
Retirement benefit scheme contributions	<u>90</u>	<u>87</u>	<u>35</u>	<u>38</u>
	<u>3,301</u>	<u>3,259</u>	<u>1,178</u>	<u>1,515</u>

The emoluments of the non-director highest paid individuals are within the following bands:

	<u>Year ended 31 December</u>		<u>Five months ended 31 May</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
			(unaudited)	
Nil to HK\$1,000,000	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

During the Track Record Period, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

(c) Senior management emoluments

The number of senior management (excluding the directors of the Company) whose remuneration fell within the following bands is as follows:

	<u>Year ended 31 December</u>		<u>Five months ended 31 May</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
			(unaudited)	
Nil to HK\$1,000,000	<u>5</u>	<u>7</u>	<u>6</u>	<u>5</u>

10. INCOME TAX EXPENSE

	Year ended 31 December		Five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Continuing operation				
Income tax expense comprise:				
Hong Kong Profits Tax				
— current tax for the year/period	1,553	2,427	783	568
— over-provision in prior years	(40)	(20)	(20)	—
	<u>1,513</u>	<u>2,407</u>	<u>763</u>	<u>568</u>
Other jurisdictions				
— current tax for the year/period	98	20	—	29
— under-provision in prior years	—	—	—	93
	<u>98</u>	<u>20</u>	<u>—</u>	<u>122</u>
Deferred tax (<i>Note 21</i>)	<u>(2)</u>	<u>(278)</u>	<u>(178)</u>	<u>—</u>
Income tax expense	<u><u>1,609</u></u>	<u><u>2,149</u></u>	<u><u>585</u></u>	<u><u>690</u></u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax under these jurisdictions during the Track Record Period.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits during the Track Record Period.

Under the Enterprise Income Tax Law of the PRC (the "EIT Law") and the Implementation Regulation of the EIT Law, the subsidiary in the PRC is subject to the tax rate of 25% on the estimated assessable profits during the Track Record Period.

No provision for income tax has been made for the subsidiaries located in Taiwan, United Kingdom, Macau and Singapore as the subsidiaries did not have assessable profits subject to income tax in Taiwan, United Kingdom, Macau and Singapore during the Track Record Period. The Group disposed all its equity interest in the subsidiary located in Taiwan and dissolved all the subsidiaries located in United Kingdom, Macau and Singapore during the Track Record Period.

The income tax expense for the Track Record Period from continuing operation can be reconciled to the profit/(loss) before tax from continuing operation per the consolidated statements of comprehensive income as follows:

	<u>Year ended 31 December</u>		<u>Five months ended 31 May</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u> <u>(unaudited)</u>	<u>HK\$'000</u>
Profit/(loss) before tax from continuing operation	<u>8,288</u>	<u>11,293</u>	<u>3,759</u>	<u>(3,095)</u>
Tax calculated at the rates applicable to profit/(loss) before tax in the tax jurisdiction concerned	1,302	2,174	698	534
Tax effect of non-taxable income	(204)	(4)	(1)	(13)
Tax effect of non-deductible expenses	316	113	22	76
Tax effect of tax losses not recognised	73	—	—	—
(Over)/under-provision in prior years	(40)	(20)	(20)	93
Others	<u>162</u>	<u>(114)</u>	<u>(114)</u>	<u>—</u>
Income tax expense from continuing operation	<u>1,609</u>	<u>2,149</u>	<u>585</u>	<u>690</u>

11. DISCONTINUED OPERATION

On 24 August 2015, the Group had, through its wholly-owned subsidiary, Icicle Production entered into a share buy-back agreement with the original shareholders of Win Win Media to dispose of its entire equity interest in Win Win Media at a cash consideration of NTD3,000,000 (equivalent to approximately HK\$766,000). Win Win Media carried out all of the Group's operation in Taiwan. Accordingly, such business was classified as a discontinued operation. As agreed with the original shareholders of Win Win Media, the equity interest was disposed on 30 September 2015. The disposal was completed on 13 October 2015.

Details of the assets and liabilities disposed of, and the calculation of the loss on disposal of a subsidiary, are disclosed in Note 25.

The results of discontinued operation included in the profit after tax for the year ended 31 December 2015 are set out below.

	HK\$'000
Revenue	5,421
Other income	4
Outsourced project costs	(2,668)
Depreciation expenses	(54)
Employee benefit expenses	(2,786)
Other operating expenses	<u>(874)</u>
Loss before tax from discontinued operation	(957)
Income tax expense	<u>—</u>
Loss after tax from discontinued operation	(957)
Loss on disposal of a subsidiary (including HK\$114,000 reclassification of translation reserve from equity to profit or loss upon disposal of a subsidiary) (Note 25)	<u>(44)</u>
Loss after tax for the year from discontinued operation	<u><u>(1,001)</u></u>

	HK\$'000
Loss after tax for the year from discontinued operation attributable to:	
— owners of the Company	(750)
— non-controlling interest	<u>(251)</u>
	<u><u>(1,001)</u></u>
Cash flows from discontinued operation	
Net cash used in operating activities	(139)
Net cash used in financing activities	<u>(765)</u>
Net decrease in cash and cash equivalents	<u><u>(904)</u></u>

12. DIVIDENDS

	<u>Year ended 31 December</u>		<u>Five months ended 31 May</u>	
	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
			(unaudited)	
Interim dividends	<u>—</u>	<u>9,495</u>	<u>—</u>	<u>14,999</u>

Other than the above interim dividends paid or declared by the Company's subsidiary, Icicle Group, no dividend was paid or declared by Icicle Group Holdings Limited, the Company since its incorporation.

During the year ended 31 December 2016, interim dividends amounting to HK\$9,495,000, representing dividends paid by the Company's subsidiary, Icicle Group, to its then shareholders for the year ended 31 December 2016, were approved by the written resolutions of directors on 30 August 2016 and 21 December 2016.

During the five months ended 31 May 2017, interim dividends of HK\$14,999,000, representing dividends paid by the Company's subsidiary, Icicle Group, to its then equity holders for the five months ended 31 May 2017, were approved by the written resolutions of directors on 30 March 2017. During the five months ended 31 May 2017, dividends of HK\$3,000,000 had been paid and settled by cash to the then shareholders. The remaining sum of HK\$11,999,000 was classified as amounts due to shareholders and have been paid prior to the Listing.

The rate of dividend and the number of shares ranking for dividend is not presented as such information is not meaningful having regard to the purpose of this Historical Financial Information.

13. EARNINGS/(LOSS) PER SHARE

No earnings/(loss) per share information is presented as its inclusion, for the purpose of this Historical Financial Information, is not considered meaningful due to the Reorganisation and the presentation of the results for Track Record Period on the basis as disclosed in Note 2.2.

14. PROPERTY, PLANT AND EQUIPMENT

	<u>Leasehold improvements</u>	<u>Plant and machinery</u>	<u>Furniture, fixtures and office equipment</u>	<u>Total</u>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost				
At 1 January 2015	1,460	966	2,876	5,302
Additions	1,216	40	388	1,644
Disposals	—	(10)	(25)	(35)
Disposal of a subsidiary (<i>Note 25</i>)	—	—	(426)	(426)
Exchange realignment	—	—	(2)	(2)
At 31 December 2015 and 1 January 2016	2,676	996	2,811	6,483
Additions	20	27	166	213
Disposals	—	(700)	—	(700)
Exchange realignment	—	—	(3)	(3)
At 31 December 2016 and 1 January 2017	2,696	323	2,974	5,993
Additions	—	40	100	140
Disposals	—	—	(16)	(16)
At 31 May 2017	2,696	363	3,058	6,117
Accumulated depreciation				
At 1 January 2015	1,217	737	1,871	3,825
Charge for the year	364	182	715	1,261
Elimination on disposal	—	—	(9)	(9)
Disposal of a subsidiary (<i>Note 25</i>)	—	—	(276)	(276)
Exchange realignment	—	—	(4)	(4)
At 31 December 2015 and 1 January 2016	1,581	919	2,297	4,797
Charge for the year	494	53	299	846
Elimination on disposal	—	(700)	—	(700)
Exchange realignment	—	—	(2)	(2)
At 31 December 2016 and 1 January 2017	2,075	272	2,594	4,941
Charge for the period	208	23	133	364
Elimination on disposal	—	—	(16)	(16)
At 31 May 2017	2,283	295	2,711	5,289
Net carrying amount				
At 31 December 2015	1,095	77	514	1,686
At 31 December 2016	621	51	380	1,052
At 31 May 2017	413	68	347	828

As at 31 December 2015 and 2016 and 31 May 2017, certain items of property, plant and equipment were fully depreciated but are still in use, the gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately HK\$4,218,000, HK\$3,719,000 and HK\$3,906,000 respectively.

15. INTANGIBLE ASSETS

	Computer software
	HK\$'000
Cost	
At 1 January 2015	3,301
Additions	<u>321</u>
At 31 December 2015 and 1 January 2016	3,622
Additions	<u>38</u>
At 31 December 2016 and 1 January 2017	3,660
Additions	<u>23</u>
At 31 May 2017	<u>3,683</u>
Accumulated depreciation	
At 1 January 2015	1,169
Charge for the year	<u>792</u>
At 31 December 2015 and 1 January 2016	1,961
Charge for the year	<u>764</u>
At 31 December 2016 and 1 January 2017	2,725
Charge for the period	<u>294</u>
At 31 May 2017	<u>3,019</u>
Net carrying amount	
At 31 December 2015	<u><u>1,661</u></u>
At 31 December 2016	<u><u>935</u></u>
At 31 May 2017	<u><u>664</u></u>

Intangible assets represent (i) computer software acquired; and (ii) direct costs incurred in the development of new computer software by the Company.

Intangible assets are amortised on straight line basis over their estimated useful life of 3 to 5 years.

At 31 December 2015 and 2016 and 31 May 2017, the management considers there are no indication of impairment on the intangible assets.

16. INVENTORIES

	At 31 December		At 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Paper products and calligraphy stationery	—	—	346

17. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 31 December		At 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Trade receivables	17,630	14,885	15,379
Rental deposits	555	521	1,591
Prepayments (<i>Note</i>)	1,207	2,006	4,433
Other receivables	850	129	136
	20,242	17,541	21,539

Note: As at 31 December 2015 and 2016 and 31 May 2017, prepayments for listing expenses amounting to nil, HK\$1,075,000 and HK\$2,295,000 respectively, and prepayments for outsourced project costs amounting to HK\$875,000, HK\$825,000 and HK\$1,889,000 respectively were included in prepayments.

The credit period for trade receivables is ranging from 30 to 60 days from the date of billing for the Track Record Period. The ageing analysis of the trade receivables based on due date is as follows:

	At 31 December		At 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Neither past due nor impaired	6,484	7,536	5,680
Less than 1 month past due	5,571	3,912	4,137
Over 1 month but less than 3 months past due	3,725	2,435	2,997
Over 3 months but less than 1 year past due	1,834	995	2,556
Over 1 year past due	16	7	9
	17,630	14,885	15,379

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

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

	At 31 December		At 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Within 1 month	6,995	8,919	6,491
Over 1 month but less than 3 months	7,515	3,964	5,865
Over 3 months but less than 1 year	3,102	1,962	3,010
Over 1 year	18	40	13
	17,630	14,885	15,379

18. AMOUNTS DUE FROM/(TO) AN IMMEDIATE HOLDING COMPANY, RELATED COMPANIES AND SHAREHOLDERS

The related companies represent entities of which spouse of Ms. Bonnie Chan Woo, an executive director of the Company, and/or Mr. Chow Sai Yiu Evan, a non-executive director of the Company are the beneficial owners. The amounts due from related companies are trade in nature, unsecured, interest-free and have credit period of 30 days.

The amount due from an immediate holding company was fund advanced, unsecured, interest-free and repayable on demand and was settled fully during the year ended 31 December 2016.

The amount due from shareholder is fund advanced and the amounts due to shareholders represent dividends declared but not yet paid. These amounts are unsecured, interest-free and repayable on demand and have been settled fully prior to the Listing.

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represents bank balances and cash in hand.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 December 2015 and 2016 and 31 May 2017, the Group has cash and cash equivalents denominated in Renminbi ("RMB") amounting to approximately HK\$7,115,000, HK\$8,085,000 and HK\$7,356,000 respectively and were kept in the PRC. RMB is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

As at 31 December 2015 and 2016 and 31 May 2017, the Group's cash and cash equivalents of HK\$9,655,000, HK\$15,571,000 and HK\$12,158,000 were secured for general banking facility of the Group. As at 31 December 2015 and 2016 and 31 May 2017, such general banking facility was not utilised by the Group.

20. TRADE AND OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	At 31 December		At 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Trade payables	8,941	10,369	6,554
Accruals	1,041	1,145	1,518
Deposits received	550	328	278
Other payables	459	401	650
Receipts in advance	881	2,186	1,705
	11,872	14,429	10,705

The credit period received from suppliers of the Group is ranging from 30 to 90 days for the Track Record Period. The ageing analysis of the trade payables based on invoice date is as follows:

	At 31 December		At 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Within 1 month	4,346	5,523	3,854
Over 1 month but less than 3 months	3,999	4,516	2,446
Over 3 months but less than 1 year	586	329	253
Over 1 year	10	1	1
	8,941	10,369	6,554

21. DEFERRED TAX LIABILITIES

Details of the deferred tax liabilities recognised and movements during the Track Record Period:

	Accelerated tax depreciation
	HK\$'000
At 1 January 2015	280
Credited to profit or loss for the year (<i>Note 10</i>)	(2)
At 31 December 2015 and 1 January 2016	278
Credited to profit or loss for the year (<i>Note 10</i>)	(278)
At 31 December 2016, 1 January 2017 and 31 May 2017	—

22. SHARE CAPITAL

	<u>Number of shares</u>	<u>Share capital</u> HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 20 January 2017 (date of incorporation of the Company) and 31 May 2017	<u>38,000,000</u>	<u>380</u>
Issued and fully paid:		
At 20 January 2017 (date of incorporation of the Company)	—	—
Issuance of share upon incorporation	<u>1</u>	<u>—*</u>
At 31 May 2017	<u>1</u>	<u>—*</u>

* *Less than HK\$1,000*

On 20 January 2017, the Company was incorporated in the Cayman Islands with authorised share capital of HK\$380,000 divided into 38,000,000 shares of par value of HK\$0.01 each. On the date of incorporation, 1 share of the Company was allotted and issued at HK\$0.01 to the initial subscriber, who then immediately transferred such share to Explorer Vantage. On 16 November 2017, the Company allotted and issued 76 and 23 shares to Explorer Vantage and Hertford Global, respectively. Other than the share allotment and transfer aforementioned, no other share transaction was undertaken by the Company from its incorporation. There was no authorised and issued capital as at 31 December 2015 and 2016 as the Company has not yet been incorporated.

23. RESERVES

Details of the movements on the Group's reserves are as set out in the consolidated statements of changes in equity.

Capital reserve

The capital reserve comprises of (i) the share capital and share premium of Icicle Group which would be eliminated when the Company becomes the holding company of Icicle Group upon completion of the Reorganisation; and (ii) the difference between the nominal value of the share capital of subsidiaries acquired by Icicle Group in prior years and the consideration paid to the shareholders of those subsidiaries.

Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company's functional currency.

24. EQUITY-SETTLED SHARE-BASED PAYMENTS

Icicle Group adopted a Pre-IPO Share Option Scheme (the "Pre-IPO Share Option Scheme") on 4 March 2014 for the purpose of providing incentive or rewards to the eligible participants of Icicle Group and its subsidiaries (collectively, the "IG Group") who contribute to the success of the Group's operations.

The Pre-IPO Share Option Scheme is ending on the date falling 10 years from the date of adoption.

The subscription price, shall, subject to any adjustments made pursuant to the terms of the Pre-IPO Share Option Scheme, be a price determined by the directors of Icycle Group and shall not be less than the nominal value of a share of Icycle Group. The maximum number of shares granted and to be granted under the Pre-IPO Share Option Scheme shall not in aggregate exceed 15% of the issued share capital of Icycle Group on 14 March 2014.

The total number of shares which may be issued upon the exercise of all options granted under the Pre-IPO Share Option Scheme are 224 shares and 309 shares which were granted on 30 April 2014 and 4 February 2015 respectively with the subscription price of US\$0.01 per share.

Each option granted under the Pre-IPO Share Option Scheme has a vesting period and vesting condition as detailed below:

<u>Options granted to the Grantees</u>	<u>Number of options</u>	<u>Vesting condition</u>	<u>Vesting period</u>
— on 30 April 2014	224	IG Group achieved minimum of 75% of HK\$132,000,000 in revenue and HK\$12,000,000 in earning before interest expenses, taxation, depreciation and amortisation (“EBITDA”) for the year ended 31 December 2014, options would be vested in proportion to the percentage of actual EBITDA performed to the EBITDA target.	One third of the total number of options on 1 January 2015, 2016 and 2017
— on 4 February 2015	309	IG Group achieved minimum of 90% of HK\$126,000,000 in revenue and HK\$14,000,000 in EBITDA for the year ended 31 December 2015, options would be vested in proportion to the percentage of actual EBITDA performed to the EBITDA target.	One third of the total number of options on 1 April 2016, 1 January 2017 and 2018

According to the terms and conditions of the share options granted above, the share options should vest when IG Group is able to achieve certain performance target for the years ended 31 December 2014 and 2015. On and subsequent to the date of grant, in the opinion of the directors of Icycle Group, after considering the performance of IG Group, no equity-settled share-based payment expense is recognised as the likelihood of IG Group able to achieve the performance target is not probable. On 16 March 2017, the grantees signed cancellation letters, agreed to cancel all share options held by them. Pursuant to the written resolution of directors and then shareholders of Icycle Group on 16 March 2017, the directors and then shareholders of Icycle Group agreed to terminate the Pre-IPO Share Option Scheme.

During the Track Record Period, no share option under the Pre-IPO Share Option Scheme was vested.

The number and weighted average exercise prices of the share options are as follows:

Type of grantee	Date of grant	Exercisable period	Exercise price	Number of options			
				Balance at 1 January 2017	Granted during the period	Cancelled during the period	Balance at 31 May 2017
Executive director							
Ms. Bonnie Chan Woo	30 April 2014	30 April 2014 to 29 April 2024	US\$0.01	112	—	(112)	—
	4 February 2015	4 February 2015 to 3 February 2025	US\$0.01	103	—	(103)	—
				<u>215</u>	<u>—</u>	<u>(215)</u>	<u>—</u>
Employees	4 February 2015	4 February 2015 to 3 February 2025	US\$0.01	103	—	(103)	—
				<u>318</u>	<u>—</u>	<u>(318)</u>	<u>—</u>
				Number of options			
Type of grantee	Date of grant	Exercisable period	Exercise price	Balance at 1 January 2016	Granted during the year	Lapsed during the year	Balance at 31 December 2016
Executive director							
Ms. Bonnie Chan Woo	30 April 2014	30 April 2014 to 29 April 2024	US\$0.01	112	—	—	112
	4 February 2015	4 February 2015 to 3 February 2025	US\$0.01	103	—	—	103
				<u>215</u>	<u>—</u>	<u>—</u>	<u>215</u>
Employees	30 April 2014	30 April 2014 to 29 April 2024	US\$0.01	112	—	(112)	—
	4 February 2015	4 February 2015 to 3 February 2025	US\$0.01	206	—	(103)	103
				<u>318</u>	<u>—</u>	<u>(215)</u>	<u>103</u>
				<u>533</u>	<u>—</u>	<u>(215)</u>	<u>318</u>

Type of grantee	Date of grant	Exercisable period	Exercise price	Number of options			
				Balance at 1 January 2015	Granted during the year	Lapsed during the year	Balance at 31 December 2015
Executive director							
Ms. Bonnie Chan Woo	30 April 2014	30 April 2014 to 29 April 2024	US\$0.01	112	—	—	112
	4 February 2015	4 February 2015 to 3 February 2025	US\$0.01	—	103	—	103
				<u>112</u>	<u>103</u>	<u>—</u>	<u>215</u>
Employees							
	30 April 2014	30 April 2014 to 29 April 2024	US\$0.01	112	—	—	112
	4 February 2015	4 February 2015 to 3 February 2025	US\$0.01	—	206	—	206
				<u>112</u>	<u>206</u>	<u>—</u>	<u>318</u>
				<u>224</u>	<u>309</u>	<u>—</u>	<u>533</u>

The options outstanding at 31 December 2015 and 2016 had a weighted average remaining contractual life of 8.8 years and 7.8 years respectively, of which none of them are exercisable. The weighted average exercise price for the outstanding options as at 31 December 2015 and 2016 was US\$0.01 per share respectively.

25. DISPOSAL OF A SUBSIDIARY

On 30 September 2015, the Group disposed of its entire equity interest in Win Win Media at a cash consideration of NTD3,000,000 (equivalent to approximately HK\$766,000).

The net assets of Win Win Media as at the date of disposal were set out as follows:

	HK\$'000
Property, plant and equipment (<i>Note 14</i>)	150
Goodwill	836
Trade and other receivables, deposits and prepayments	1,479
Cash and cash equivalents	992
Trade and other payables, accruals and deposits received	(1,315)
Amount due to a non-controlling shareholder	(1,270)
Amount due to the Group	<u>(226)</u>
Net assets disposed of	646
Non-controlling interest	50
Reclassification adjustment of translation reserve upon disposal of a subsidiary	114
Loss on disposal of a subsidiary (<i>Note 11</i>)	<u>(44)</u>
Total cash consideration received	<u>766</u>
Net cash outflow arising on disposal:	
Cash consideration	766
Cash and cash equivalents disposed of	<u>(992)</u>
	<u>(226)</u>

The loss on disposal of Win Win Media is included in the loss after tax for the year from discontinued operation (*Note 11*).

26. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	At 31 December				At 31 May	
	2015		2016		2017	
	Properties HK\$'000	Office equipments HK\$'000	Properties HK\$'000	Office equipments HK\$'000	Properties HK\$'000	Office equipments HK\$'000
Within 1 year	3,054	1,120	2,870	1,349	2,249	1,203
Over 1 year but less than 5 years	3,521	1,532	651	2,251	—	1,904
Over 5 years	—	—	—	69	—	—
	<u>6,575</u>	<u>2,652</u>	<u>3,521</u>	<u>3,669</u>	<u>2,249</u>	<u>3,107</u>

The Group rents a number of properties and office equipments under operating leases. The agreements run for an initial period of three months to six years. For the operating lease of the office equipments, contingent rent was charged by the lessors if the usage of the office equipments exceeded the predetermined levels as agreed under the tenancy agreements.

27. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the Historical Financial Information, the Group has the following transactions with its related parties in the normal course of its business and mutually agreed between both parties:

	Year ended 31 December		Five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Revenue from provision of marketing production services to celebratethemakers Limited ("CTM") (Note (a))	314	930	479	103
Revenue from provision of marketing production services to NewspaperDirect Limited (Note (b))	742	694	441	215
Revenue from provision of marketing production services to MCL Financial Group Limited (Note (c))	—	18	14	13
Revenue from provision of marketing production services to Woo Hon Fai Holdings Limited (Note (d))	—	83	83	—
Revenue from provision of marketing production services to close family members of Ms. Bonnie Chan Woo	4	14	14	—
Revenue from provision of marketing production services to Ms. Bonnie Chan Woo	4	—	—	1
Sales of property, plant and equipment to CTM (Note (a))	38	—	—	—
Acquisition of property, plant and equipment from CTM (Note (a))	—	—	—	51
Acquisition of intangible assets from CTM (Note (a))	—	—	—	23
Purchase of paper products and calligraphy stationery from CTM (Note (a))	—	—	—	352
Administrative service income received from CTM (Note (a))	195	697	211	88

Notes:

- (a) Spouse of Ms. Bonnie Chan Woo, an executive director of the Company, and Mr. Chow Sai Yiu Evan, a non-executive director of the Company are the beneficial owners of this related company.
- (b) Spouse of Ms. Bonnie Chan Woo, an executive director of the Company is the beneficial owner of this related company.
- (c) Mr. Chow Sai Yiu Evan, a non-executive director of the Company is the beneficial owner of this related company.

- (d) Spouse of Ms. Bonnie Chan Woo, an executive director of the Company is one of the directors of this related company.

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the directors of the Company. Key management personnel remuneration are as follows:

	Year ended 31 December		Five months ended 31 May	
	2015	2016	2016	2017
	HK\$'000	HK\$'000	HK\$'000 (unaudited)	HK\$'000
Directors' fee	—	—	—	19
Salaries, allowances and benefits in kind	2,685	3,211	1,277	1,622
Discretionary bonus	206	311	11	48
Retirement benefit scheme contributions	85	98	40	45
	<u>2,976</u>	<u>3,620</u>	<u>1,328</u>	<u>1,734</u>

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group is exposed to a variety of risks including foreign currency risk, credit risk and liquidity risk through its use of financial instruments in its ordinary course of operations.

The Group does not have any written risk management policies and guidelines. The directors of the Company monitor the financial risk management and take such measures as considered necessary from time to time to minimise such financial risks.

(a) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk related primarily to the operations giving rise to bank balances that are denominated in US\$, British Pound ("GBP") and RMB. The Group currently does not have a foreign currency hedging policy. However, the directors of the Company monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's financial assets and liabilities denominated in a currency other than functional currency of the respective group entities at the end of each Track Record Period are as follows:

	At 31 December		At 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Overall net exposure			
US\$	9,405	11,463	11,409
GBP	1,505	396	492
RMB	21	14	16

Since HK\$ is pegged with US\$, the relevant foreign currency risk is minimal. Accordingly, their fluctuation is excluded from the sensitivity analysis.

As the Group does not have significant exposure to foreign currency risk, the Group's income and operating cash flows are substantially independent of changes in foreign currency exchange rates.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Bank balances of the Group are held with financial institutions of good standing. The carrying amount of trade and other receivables and amounts due from an immediate holding company and related companies represent the Group's maximum exposure to credit risk in relation to its financial assets. No other financial assets carry a significant exposure to credit risk.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent.

As at 31 December 2015 and 2016 and 31 May 2017, the Group has a certain concentration of credit risk as 12%, 15% and 21% of trade receivables was due from the Group's largest customer respectively, while 67%, 55% and 63% of trade receivables was due from the Group's five largest customers respectively.

(c) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables and accruals and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The maturity profile of the Group's non-derivative financial liabilities at each reporting period, based on the contracted undiscounted payments, is as follows:

	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	HK\$'000	HK\$'000	HK\$'000
As at 31 December 2015			
Trade and other payables and accruals	<u>10,441</u>	<u>10,441</u>	<u>10,441</u>
As at 31 December 2016			
Trade and other payables and accruals	<u>11,915</u>	<u>11,915</u>	<u>11,915</u>
As at 31 May 2017			
Trade and other payables and accruals	8,722	8,722	8,722
Amounts due to shareholders	<u>11,991</u>	<u>11,991</u>	<u>11,991</u>
	<u>20,713</u>	<u>20,713</u>	<u>20,713</u>

(d) Fair values of financial instruments

All financial assets and liabilities are carried at amount not materially different from their fair values as a 31 December 2015 and 2016 and 31 May 2017.

29. FINANCIAL INSTRUMENTS BY CATEGORY

	At 31 December		At 31 May
	2015	2016	2017
	HK\$'000	HK\$'000	HK\$'000
Financial assets			
Loans and receivables			
— Trade and other receivables and deposits	19,035	15,535	17,106
— Amount due from an immediate holding company	980	—	—
— Amounts due from related companies	1,148	1,845	287
— Cash and cash equivalents	26,776	36,678	24,462
	47,939	54,058	41,855
Financial liabilities			
Financial liabilities measured at amortised cost			
— Trade and other payables and accrual	10,441	11,915	8,722
— Amounts due to shareholders	—	—	11,991
	10,441	11,915	20,713

30. CAPITAL RISK MANAGEMENT

The Group's objectives of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to the shareholders and benefits for other stakeholders to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debts. No changes in the objectives, policies or processes for managing capital were made during the Track Record Period.

The capital structure of the Group consists of equity attributable to the equity holders of the Company, comprising share capital and reserves disclosed in the consolidated statements of changes in equity.

31. EVENT AFTER THE REPORTING PERIOD

The companies comprising the Group underwent the Reorganisation in preparation for the listing of shares of the Company on the GEM of the Stock Exchange.

On 16 November 2017, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares to HK\$10,000,000 divided into 1,000,000,000 shares. The Company will offer 120,000,000 new shares for subscription by way of share offer.

It is proposed that upon the share premium account of the Company being credited as a result of the issue of the shares pursuant to the share offer, the directors are authorised to allot and issue a total of 359,999,900 shares, credited as fully paid at par (the "Capitalisation Shares") to Explorer Vantage and Hertford Global on the date of the shareholders' resolutions approving the share offer on the basis of 3,599,999 Capitalisation Shares for each share held by them by way of capitalisation of the sum of HK\$3,600,000 standing to the credit of the share premium account of the Company.

Except as disclosed elsewhere in this report, there are no other material subsequent events undertaken by the Company or by the Group after 31 May 2017.

32. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 31 May 2017 up to the date of this report.

The information set forth in this appendix does not form part of the Accountants' Report from Moore Stephens CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for information only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the "Accountants' Report" set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative and statement of unaudited pro forma of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company prepared in accordance with Rule 7.31 of the GEM Listing Rules is set out below to illustrate the effect of the Share Offer on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Share Offer had taken place on 31 May 2017.

The statement of unaudited pro forma of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the financial position of the Group as at 31 May 2017 or any future date following the Share Offer.

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 May 2017	Estimated net proceeds from the Share Offer	Unaudited pro forma of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company	Unaudited pro forma of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000	HK\$ (Note 3)
Based on Offer Price of HK\$0.48 per Offer Share	<u>22,815</u>	<u>45,142</u>	<u>67,957</u>	<u>0.14</u>
Based on Offer Price of HK\$0.60 per Offer Share	<u>22,815</u>	<u>58,966</u>	<u>81,781</u>	<u>0.17</u>

Notes to the unaudited pro forma financial information

1. The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 May 2017 is extracted from the Accountants' Report set out in Appendix I to this prospectus, which is based on the audited consolidated net assets of the Group attributable to the owners of the Company as at 31 May 2017 of HK\$23,479,000 with an adjustment for intangible assets as at 31 May 2017 of HK\$664,000.
2. The estimated net proceeds from the issue of the Offer Shares pursuant to the Share Offer are based on 120,000,000 Offer Shares at the Offer Price of lower limit and upper limit of HK\$0.48 and HK\$0.60 per Offer Share, respectively, after deduction of the underwriting commissions and fees and other related expenses (excluding approximately HK\$8,254,000 which have been incurred by the Group up to 31 May 2017).

It does not take into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, or any Shares which may be allotted and issued or bought back by our Company pursuant to the general mandates for the allotment and issue or buy-back Shares as described in Appendix IV to this prospectus.

3. The unaudited pro forma of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share is calculated based on 480,000,000 Shares in issue immediately following the completion of the Capitalisation Issue and the Share Offer.

It does not take into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, or any Shares which may be allotted and issued or bought back by our Company pursuant to the general mandates for the allotment and issue or buy-back Shares as described in Appendix IV to this prospectus.

4. No adjustment has been made to the unaudited pro forma of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 31 May 2017.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the Company's reporting accountants, Moore Stephens CPA Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Group.

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27 November 2017

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Icicle Group Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Icicle Group Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 May 2017 and related notes as set up on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 27 November 2017 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed share offer of the shares of the Company (the "Share Offer") on the Group's financial position as at 31 May 2017 as if the Share Offer had taken place at 31 May 2017. As part of this process, information about the Group's financial position has been extracted by the

Directors from the Group's financial information for the five months ended 31 May 2017, on which an accountants' report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 May 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

- a. the unaudited pro forma financial information of the Group has been properly compiled on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and

- c. the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

Moore Stephens CPA Limited

Certified Public Accountants

Hung, Wan Fong Joanne

Practising Certificate Number: P05419

Hong Kong

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 20 January 2017 under the Companies Law. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (**Memorandum**) and its Amended and Restated Articles of Association (**Articles**).

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 16 November 2017. A summary of certain provisions of the Articles is set out below.

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall *mutatis mutandis* apply to every such separate general meeting, but so that

the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a shareholder being a corporation, by its duly authorised representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) *Alteration of capital*

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; (g) change the currency of denomination of its share capital; and (h) reduce its share premium account in any manner authorised and subject to any conditions prescribed by law.

(iv) *Transfer of shares*

Subject to the Companies Law and the requirements of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the GEM Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) *Power of the Company to purchase its own shares*

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any, code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

(vi) *Power of any subsidiary of the Company to own shares in the Company*

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(vii) *Calls on shares and forfeiture of shares*

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect

of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

(b) Directors

(i) *Appointment, retirement and removal*

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the “retirement by rotation” provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

- (aa) resigns;
- (bb) dies;
- (cc) is declared to be of unsound mind and the Board resolves that his office be vacated;
- (dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (ee) he is prohibited from being or ceases to be a director by operation of law;
- (ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;
- (gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or
- (hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) *Power to allot and issue shares and warrants*

Subject to the provisions of the Companies Law, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Law, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) *Power to dispose of the assets of the Company or any of its subsidiaries*

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by

the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iv) *Borrowing powers*

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) *Remuneration*

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any

executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) *Compensation or payments for loss of office*

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

(vii) *Loans and provision of security for loans to Directors*

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) *Disclosure of interest in contracts with the Company or any of its subsidiaries*

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in

such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

- (aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(ee) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(ix) *Proceedings of the Board*

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(c) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(d) Meetings of member

(i) *Special and ordinary resolutions*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An “ordinary resolution”, by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(ii) *Voting rights and right to demand a poll*

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the GEM Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

- (A) at least two members;
- (B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(iii) *Annual general meetings*

The Company must hold an annual general meeting each year other than the year of the Company's adoption of the Articles. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

(iv) *Notices of meetings and business to be conducted*

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Companies Law and the GEM Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(v) *Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) *Proxies*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(e) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Companies Law (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Law or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to shareholders who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those shareholders that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the Company in general meeting or by the Board if authority is so delegated by the members.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(f) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

- (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;
- (ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and
- (iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

- (aa) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or
- (bb) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(g) Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

(h) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(i) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, then the excess shall be distributed *pari passu* among such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Law, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the

assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(j) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on 20 January 2017 subject to the Companies Law. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

Under Companies Law, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the “share premium account”. At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

- (i) paying distributions or dividends to members;

- (ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (iii) any manner provided in section 37 of the Companies Law;
- (iv) writing-off the preliminary expenses of the company; and
- (v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

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

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a

company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Companies Law. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Law.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Companies Law, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss v. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet that:

- (i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Company or its operations; and
- (ii) no tax be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:
 - (aa) on or in respect of the shares, debentures or other obligations of the Company;
or
 - (bb) by way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision).

The undertaking for the Company is for a period of 20 years from 14 February 2017.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Companies Law, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 60 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint such person or persons to such office, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

(q) Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

(s) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, the Company's legal adviser on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix V to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Laws as an exempted company with limited liability on 20 January 2017. Our Company's registered office is at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands. Our Company has established a principal place of business in Hong Kong at Unit 4, 12/F, 18 King Wah Road, North Point, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 8 March 2017 with Ms. Bonnie Chan Woo, our executive Director, appointed as the Hong Kong authorised representative of our Company on 14 February 2017 for acceptance on behalf of our Company of service of process and any notices required to be served on our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, it is subject to the Companies Law and its constitution documents, which comprises the Memorandum and the Articles. A summary of certain provisions of the Memorandum, the Articles and certain aspects of the Companies Law are set out in Appendix III to this prospectus.

2. Changes in authorised and issued share capital of our Company

Our authorised share capital as at the date of our incorporation was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. On 20 January 2017, one nil-paid Share held by Reid Services Limited was transferred to Explorer Vantage.

On 16 November 2017, pursuant to a share transfer agreement entered into among our Company, Explorer Vantage, Hertford Global, our Company acquired the entire issued share capital of Icicle Group from Explorer Vantage and Hertford Global, in consideration of (i) the crediting as fully paid at par the initial one nil-paid Share registered in the name of Explorer Vantage; and (ii) the allotment and issue by our Company of 76 Shares to Explorer Vantage and 23 Shares to Hertford Global, all credited as fully paid at par and carrying the same rights in all respects with the existing issued Shares.

On the 16 November 2017, our Company increased its authorised share capital to HK\$10,000,000 divided into 1,000,000,000 Shares with a par value of HK\$0.01 each by the creation of an additional 962,000,000 Shares.

Immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account of any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme), the issued share capital of our Company will be HK\$4,800,000 divided into 480,000,000 Shares, all fully-paid or credited as fully-paid and 520,000,000 Shares will remain unissued.

Save for the aforesaid and as mentioned in the paragraph headed “3. Written resolutions of our Shareholders passed on 16 November 2017” in this Appendix IV, there has been no alteration in the share capital of our Company since its incorporation.

3. Written resolutions of our Shareholders passed on 16 November 2017

Pursuant to the written resolutions of the then Shareholders passed on 16 November 2017, the following resolutions were passed by the then Shareholders, pursuant to which, among other things:

- (a) the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of par value HK\$0.01 each to HK\$10,000,000 divided into 1,000,000,000 Shares of par value HK\$0.01 each by the creation of additional 962,000,000 new Shares of par value HK\$0.01 each ranking *pari passu* in all respects with the Shares in issue;
- (b) the Memorandum and Articles were approved and adopted to take effect on the Listing Date;
- (c) conditional upon (1) the Listing Division granting the approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Share Offer and the Capitalisation Issue (including any Shares which may be allotted and issued pursuant to the exercise of the options granted under the Share Option Scheme); (2) the Offer Price having been fixed on the Price Determination Date; and (3) the obligations of the Underwriter(s) under the Underwriting Agreements becoming unconditional or waived (including, if relevant, as a result of waiver of any condition(s) by the Joint Lead Managers (for themselves and on behalf of the Underwriters)) and the Underwriting Agreements not being terminated in accordance with their terms or otherwise:
 - (i) the Listing was approved and our Directors were authorised to (aa) implement the Listing; and (bb) take any or all actions and execute all documents in connection with or incidental to the Listing with such amendments or modifications (if any) as our Directors may consider necessary or appropriate;
 - (ii) the Share Offer was approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Share Offer;
 - (iii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “D. Other information — 1. Share Option Scheme” in this Appendix IV, were approved and adopted and our Directors were authorised to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme;

- (iv) conditional on the share premium account of our Company being credited as a result of the issue of the Shares by our Company pursuant to the Share Offer, our Directors were authorised to capitalise an amount of HK\$3,599,999 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 359,999,900 Shares, such Shares to be allotted and issued to our Shareholders recorded on the register of members of our Company as of 16 November 2017 on a pro rata basis;
- (v) a general unconditional mandate (the “**Issuing Mandate**”) was given to our Directors to exercise all powers of our Company to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to, or in consequence of rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or other similar arrangement or pursuant to a specific authority granted by our Shareholders in general meeting, Shares not exceeding (aa) 20% of the aggregate number of issued Shares immediately following completion of the Capitalisation Issue and the Share Offer (excluding Shares which may be allotted and issue pursuant to the exercise of any options which may be granted under the Share Option Scheme); and (bb) the aggregate number of Shares which may be bought back by our Company pursuant to the authority granted to our Directors as referred to in paragraph 3(c)(vi) below, such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or the passing of an ordinary resolution by our Shareholders at a general meeting revoking, varying or renewing such mandate, whichever occurs first;
- (vi) a general unconditional mandate (the “**Buy-back Mandate**”) was given to our Directors to exercise all powers of our Company to buy back on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares will represent up to 10% of the aggregate number of issued Shares immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Share which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or the passing of an ordinary resolution by our Shareholders at a general meeting revoking, varying or renewing such mandate, whichever occurs first; and

(vii) subject to the availability of authorised but unissued share capital and conditional upon paragraphs (v) and (vi) above, the total number of Shares which are purchased or bought back by our Company pursuant to and in accordance with paragraph (vi) above shall be added to the total number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to and in accordance with paragraph (v) above provided that such extended amount shall not exceed 10% of the aggregate number of issued Shares immediately following completion of the Capitalisation Issue and the Share Offer and without taking into account of any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme.

4. Corporate Reorganisation

The companies comprising our Group underwent the Reorganisation in preparation for the Listing. For information relating to the Reorganisation, please refer to the paragraph headed “History, Reorganisation and corporate structure — Overview of the Reorganisation” in this prospectus for more details.

5. Changes in share capital of our subsidiaries

Subsidiaries of our Company are listed in the Accountants’ Report set out in Appendix I to this prospectus.

In addition to those disclosed in the section headed “History, Reorganisation and corporate structure” in this prospectus, the following alterations in the authorised and issued share capital of our subsidiaries have taken place within two years immediately preceding the date of this prospectus:

(a) *Icicle Group*

On 28 July 2016, GL and Ms. Bonnie Chan Woo transferred 8,500 ordinary shares and 1,133 ordinary shares of Icicle Group to Explorer Vantage at the consideration of HK\$31,390,000 and HK\$4,185,000, respectively.

On 22 December 2016, Hertford Global subscribed for 1,177 ordinary shares of Icicle Group at the consideration of HK\$3,840,000.

Save as disclosed in this Appendix and the section headed “History, Reorganisation and corporate structure” in this prospectus, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

6. Further information about our PRC subsidiaries

Set out below is a summary of the corporate information of the subsidiary established in the PRC of our Company:

Icicle Beijing

Name of subsidiary	:	北京冰雪品牌管理有限公司 (Beijing Icicle Brand Management Company Limited*)
Date of establishment	:	31 July 2008
Place of establishment	:	the PRC
Nature	:	Limited liability company (wholly foreign owned enterprise)
Registered capital	:	HK\$1,000,000
Total paid-up capital	:	HK\$1,000,000
Attributable interest to our Group	:	100%
Term	:	31 July 2008 to 30 July 2058
Scope of business	:	Brand management, wholesale of computer software, commission agent (except auction) and printing consultancy (excluding projects that require permits)

* *For identification purpose only*

7. Buy-back by our Company of its own securities

This paragraph contains information required by the Stock Exchange to be included in this prospectus concerning the buy-back by our Company of our own securities.

(a) *Provision of the GEM Listing Rules*

Subject to certain restrictions, the GEM Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their own securities on the Stock Exchange, the most important of which are summarised below.

(i) *Shareholders' approval*

The GEM Listing Rules provide that all proposed buy-backs of securities by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of a specific approval of a specific transaction, or by way of a general mandate.

The Buy-back Mandate was granted to our Directors by our Shareholders pursuant to a written resolution of the then Shareholders of our Company dated 16 November 2017 authorising them to exercise all powers of our Company to buy back Shares with a total number of Shares not exceeding 10% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and Share Offer and without taking into account of any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors, whichever is the earliest.

(ii) *Source of funds*

Any buy-back must be financed out of funds legally available for the purpose in accordance with the GEM Listing Rules, the Articles and the applicable laws and regulations. A listed company may not buy back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

(a) *Reasons for buy-backs*

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have general authority from our Shareholders to enable our Company to buy back Shares in the market. Such buy-backs may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or the earnings per Share. Buy-backs of Shares will only be made if our Directors believe that such buy-backs will benefit our Company and our Shareholders.

(b) *Funding of buy-back*

Under the Companies Law, any buy-back by our Company may be made either (1) out of profits of our Company; (2) out of the share premium account of our Company; (3) out of the proceeds of a fresh issue of Shares made for the purpose of the buy-back; or (4) out of capital, if so authorised by the Articles and subject to the provisions of the Companies Laws. In the case of any premium payable over the par value of the Shares to be bought back on the buy-back, such premium must be provided out of either or both of the profits of our Company or the share premium account of our Company, or out of capital, if so authorised by the Articles and subject to the provisions of the Companies Laws.

Our Directors do not propose to exercise the Buy-back Mandate to such an extent that would have a material adverse effect on the working capital position of our Company or the gearing levels which, in the opinion of our Directors, are appropriate for our Company from time to time.

(iii) *Trading restrictions*

Our Company may buy back up to 10% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and Share Offer and without taking into account of any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme. Our Company may not issue or announce a proposed issue of Shares for a period of 30 days immediately following a buy-back of Shares, without the prior approval of the Stock Exchange. Our Company is also prohibited from buying back Shares on the Stock Exchange if the buy-back would result in the number of Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. Our Company is required to procure that the broker appointed by it to effect a buy-back of Shares discloses to the Stock Exchange such information with respect to the buy-backs as the Stock Exchange may request. Our Company also shall not buy back its Shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

(iv) *Status of bought back shares*

All bought back Shares (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those Shares will be cancelled and destroyed. Under the Companies Law, our Company's bought back Shares shall be treated as cancelled on buy-back and the amount of our Company's issued share capital shall be diminished by the aggregate nominal value of the bought back Shares (although the authorised share capital of our Company will not reduce as a result of the buy-back).

(v) *Suspension of buy-backs*

Pursuant to the GEM Listing Rules, our Company may not make any buy-backs of Shares after inside information has come to its knowledge until the information has been made publicly available. In particular, under the requirements of the GEM Listing Rules in force as of the date hereof, during the period of one month immediately preceding the earlier of: (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarter-year period or any other interim period (whether or not required by the

GEM Listing Rules); and (ii) the deadline for our Company to publish an announcement of its results for any year, or half-year or quarter-year period under the GEM Listing Rules, or any other interim period (whether or not required under the GEM Listing Rules), and in each case ending on the date of the results announcement, our Company may not buy back Shares on the Stock Exchange unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit a buy-back of the Shares on the Stock Exchange if our Company has breached the GEM Listing Rules.

(vi) *Procedural and reporting requirements*

As required by the GEM Listing Rules, buy-backs of Shares on the Stock Exchange or otherwise must be reported to the Stock Exchange no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Stock Exchange business day following any day on which our Company may make a purchase of Shares, reporting the total number of Shares purchased the previous day, the purchase price per Share or the highest and lowest prices paid for such purchases, where relevant. In addition, our Company's annual report is required to disclose details regarding buy-backs of Shares made during the year, including the number of Shares bought back each month, the purchase price per Share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid. The directors' report shall contain reference to the purchases made during the year and the directors' reasons for making such purchases.

(vii) *Core connected persons*

The GEM Listing Rules prohibit our Company from knowingly buying back the Shares on the Stock Exchange from a "core connected person" who includes a director, chief executive or substantial shareholder of our Company or any of the subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(b) *Reasons for buy-backs*

Our Directors believe that it is in our Company and our Shareholders' best interests for our Directors to have general authority from the Shareholders to enable our Company to execute buy-backs of the Shares in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such buy-backs will benefit us and our Shareholders.

(c) *Funding of buy-backs*

In buying back securities, our Company may only apply funds lawfully available for such purpose in accordance with the Memorandum, the Articles, the GEM Listing Rules and the applicable laws of the Cayman Islands.

On the basis of our Company's current financial position as disclosed in this prospectus and taking into account our Company's current working capital position, our Directors consider that, if the Buy-back Mandate were to be exercised in full, it might have a material adverse effect on our Company's working capital and/or our Company's gearing position as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on our Company's working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(d) *General*

The exercise in full of the Buy-back Mandate, on the basis of 480,000,000 Shares in issue immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account of any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme), could accordingly result in up to approximately 48,000,000 Shares being bought back by our Company during the period prior to:

- (i) the conclusion of our next annual general meeting of our Company; or
- (ii) the end of the period within which we are required by any applicable law or our Articles to hold our next annual general meeting; or
- (iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.

None of our Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their close associates (as defined in the GEM Listing Rules), have any present intention, if the Buy-back Mandate is exercised, to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Buy-back Mandate in accordance with the GEM Listing Rules, the Articles and the applicable laws and regulations.

If, as a result of any buy-backs of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any other consequences which would arise under the Takeovers Code as a consequence of any buy-backs of Shares pursuant to the Buy-back Mandate.

Our Company is prohibited from knowingly buying back securities on the Stock Exchange from a core connected person (as defined in the GEM Listing Rules) and such person is prohibited from knowingly selling his/her securities to our Company.

No core connected persons (as defined in the GEM Listing Rules) of our Company have notified us of intention to sell securities to our Company and such persons have undertaken not to sell any such securities to our Company, if the Buy-back Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of material contracts of our Group

The contracts below (not being contracts entered into in the ordinary course of business) have been entered into by our Company or our subsidiaries within the two years preceding the date of this prospectus and are, or may be, material to the business of our Group as below:

- (a) the termination deed dated 28 July 2016 entered into among GL, Hertford Global and Icicle Group relating to the termination and discharge of all outstanding obligations under the shareholders' agreement of Icicle Group dated 22 June 2013;
- (b) the share transfer agreement dated 28 July 2016 entered into between GL and Explorer Vantage relating to the sale and transfer of 8,500 ordinary shares of US\$0.01 each in the share capital of Icicle Group from GL to Explorer Vantage for a consideration of HK\$31,390,000;
- (c) the instrument of transfer dated 28 July 2016 entered into between Explorer Vantage and Ms. Bonnie Chan Woo for the transfer of 1,133 ordinary shares of US\$0.01 each in the share capital of Icicle Group from Ms. Bonnie Chan Woo to Explorer Vantage for a consideration of HK\$4,185,000;
- (d) the shareholders' agreement dated 28 July 2016 entered into among Explorer Vantage, Hertford Global and Icicle Group in respect of Icicle Group;





- (e) the subscription agreement dated 22 December 2016 entered into between Icicle Group and Hertford Global relating to the subscription of 1,177 ordinary shares of US\$0.01 each in the share capital of Icicle Group by Hertford Global in consideration of HK\$3,840,000 paid by Hertford Global;
- (f) the amended and restated shareholders' agreement dated 22 December 2016 entered into among Explorer Vantage, Hertford Global and Icicle Group amending the shareholders' agreement of Icicle Group dated 28 July 2016;
- (g) the termination deed dated 31 March 2017 entered into among Explorer Vantage, Hertford Global and Icicle Group relating to the termination and discharge of all outstanding obligations under the amended and restated shareholders' agreement of Icicle Group dated 28 July 2016;
- (h) the deed of non-competition undertaking from Studio SV in favour of our Company dated 16 November 2017, the details of which are set out in the section headed "Relationship with our Controlling Shareholders — Delineation of business — Excluded business engaged by our Controlling Shareholder — (2) Studio SV — Reasons for non-inclusion of Studio SV" in this prospectus;
- (i) the share transfer agreement dated 16 November 2017 entered into among our Company, Explorer Vantage, Hertford Global, pursuant to which our Company acquired the entire issued share capital of Icicle Group from Explorer Vantage and Hertford Global, in consideration of (i) the crediting as fully paid at par the initial one nil-paid Share registered in the name of Explorer Vantage; and (ii) the allotment and issue by our Company of 76 Shares to Explorer Vantage and 23 Shares to Hertford Global, all credited as fully paid at par;
- (j) the Deed of Non-competition dated 16 November 2017, executed by the Controlling Shareholders in favour of our Company (for itself and as trustee for each of its subsidiaries), pursuant to which the Controlling Shareholders have given certain non-competition undertakings, as referred to in the paragraph headed "Relationship with our Controlling Shareholders — Deed of Non-competition" in this prospectus;
- (k) the Deed of Indemnity dated 16 November 2017, executed by the Controlling Shareholders in favour of our Company (for itself and as trustee for each of its subsidiaries) containing indemnities in respect of certain tax liabilities and claims which may arise, as referred to in the paragraph headed "D. Other information — 2. Tax and other indemnities"; and

- (l) the Public Offer Underwriting Agreement dated 24 November 2017, entered into between our Company, our executive Director, the Controlling Shareholders, the Sole Sponsor, the Sole Bookrunner, the Joint Lead Managers, the Co-Lead Managers and the Public Offer Underwriters relating to the Public Offer, particulars of which are summarised in the section headed “Underwriting” in this prospectus.

2. Summary of intellectual property rights of our Group

(a) Trademarks

As at the Latest Practicable Date, our Group had registered the following trademark which, in the opinion of our Directors, is material to our business:

<u>Trademark</u>	<u>Name of registrant</u>	<u>Registration number</u>	<u>Place of registration</u>	<u>Class</u>	<u>Date of registration</u>	<u>Expiry date</u>
	Icicle Production	304100075	Hong Kong	42	5 April 2017	4 April 2027
						
						
						

(b) Domain name

As at the Latest Practicable Date, our Group had registered the following domain name which, in the opinion of our Directors, is material to our business:

<u>Domain name</u>	<u>Registrant</u>	<u>Expiry date</u>
www.iciclegroup.com	Icicle Production	16 June 2018

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**1. Particulars of Directors' service contract and letters of appointment**

Our executive Director, Ms. Bonnie Chan Woo, has entered into a service agreement with our Company regarding her appointment as an executive Director for an initial term of three years commencing from the Listing Date unless terminated by not less than three months prior written notice or otherwise in accordance with the service agreement.

According to the terms of the service contract entered into between our Company and Ms. Bonnie Chan Woo, the annual remuneration (including salaries and contributions to pension schemes but excluding bonuses and commissions) is as follows:

<u>Name</u>	<u>Salaries and allowances</u>	<u>Retirement Scheme contributions</u>
	HK\$	HK\$
Ms. Bonnie Chan Woo	480,000	18,000

The basic monthly salary payable by our Company to the executive Director is subject to annual review by our Board and the remuneration committee of our Board.

Our executive Director will be entitled to bonuses and commissions as may be determined by the remuneration committee of our Board from time to time with reference to the financial performance of our Company as well as the individual performance of the executive Director.

Our non-executive Director, Mr. Evan Chow and independent non-executive Directors, Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald have each signed a letter of appointment with our Company for an initial term of three years. The annual director's fees payable by our Company to each of our non-executive Director and independent non-executive Directors are in an aggregate amount of approximately HK\$120,000 according to the letters of appointment.

Save as disclosed above, none of our Directors has entered into a service contract with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

2. Directors' remuneration

For the two years ended 31 December 2016 and the five months ended 31 May 2017, the total remuneration (including salaries and allowances, discretionary bonus and contributions to pension scheme) paid to our Directors by our Group was approximately HK\$0.2 million, HK\$0.2 million and HK\$0.2 million, respectively.

For the two years ended 31 December 2016 and the five months ended 31 May 2017, the total remuneration (including salaries and bonus, allowances, and pension scheme contributions) paid to our Company's five highest paid individuals by our Group was approximately HK\$3.3 million, HK\$3.3 million and HK\$1.5 million, respectively.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors or former Directors or the five highest paid individuals for each of the years during the Track Record Period for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

There was no arrangement under which a director waived or agreed to waive any emoluments for any of the two years ended 31 December 2016 and the five months ended 31 May 2017.

Save as disclosed above, no other payments has been made or are payable in respect of the two years ended 31 December 2016 and the five months ended 31 May 2017 by any member of our Group to any of our Directors.

None of our Directors has been or is interested in the promotion of, or in the property proposed to be acquired by, our Company, and no sum has been paid or agreed to be paid to any of them in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as, a Director, or otherwise for services rendered by him/her in connection with the promotion or formation of our Company as an inducement to join or upon joining any member of our Group.

Pursuant to the current arrangements in force, it is anticipated that, for the year ending 31 December 2017, an aggregate amount of approximately HK\$0.6 million (including remuneration paid to our Directors of HK\$0.2 million for the five months ended 31 May 2017) will be payable to our Directors as remuneration and benefits in kind (excluding any commission or discretionary bonus) by our Group.

3. Disclosure of interests of our Directors in dealings with our Group

None of our Directors or their close associates engaged in any dealing with our Group during the Track Record Period.

4. Disclosure of interests and short positions of our Directors and the chief executive of our Company in the shares, underlying shares or debentures of our Company and our associated corporations

Immediately following completion of the Capitalisation Issue and Share Offer (without taking into account of any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme), the interests or short positions of each of our Directors and our chief executive in the share capital, underlying shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which, once the Shares are listed, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, once the Shares are listed, or which will be required to be notified to our Company or the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by our Directors, will be as follows:

(i) *Interests in the Shares of our Company*

<u>Name of Director</u>	<u>Nature of interest</u>	<u>Number of Shares held⁽¹⁾</u>	<u>Shareholding percentage</u> (%)
Ms. Bonnie Chan Woo ⁽²⁾	Interest in controlled corporation	277,200,000 (L)	57.75
Mr. Evan Chow ⁽³⁾	Interest in controlled corporation	82,800,000 (L)	17.25

Notes:

- (1) The letter “L” denotes the person’s long position in our Shares.
- (2) Explorer Vantage was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares held by Explorer Vantage.
- (3) Hertford Global was incorporated in the BVI and is beneficially and wholly-owned by Mr. Evan Chow. By virtue of the SFO, Mr. Evan Chow is deemed to be interested in the Shares held by Hertford Global.

(ii) *Interests in associated corporation of our Company*

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Capacity</u>	<u>Number of Share(s) held</u>	<u>Shareholding percentage</u> (%)
Ms. Bonnie Chan	Explorer Vantage ⁽¹⁾	Beneficial owner	1	100
Woo	OFL ⁽²⁾	Interest in a controlled corporation	5	100
	GL ⁽³⁾	Interest in a controlled corporation	10,000	100
	Papercom ⁽⁴⁾	Interest in a controlled corporation	10,000	100

Notes:

- (1) Explorer Vantage is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
- (2) OFL is beneficially and wholly-owned by Explorer Vantage. Under the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares held by Explorer Vantage.
- (3) GL is beneficially and wholly-owned by Explorer Vantage. Under the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares held by Explorer Vantage.
- (4) Papercom is beneficially and wholly-owned by Explorer Vantage. Under the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares held by Explorer Vantage.

5. Disclosure of interests under the SFO and disclosure of interests for substantial Shareholders

So far as our Directors are aware of the Latest Practicable Date, the following persons (other than our Directors and our chief executives of our Company) will, immediately following completion of the Capitalisation Issue and Share Offer (without taking into account of any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme), have beneficial interests or short positions in any Shares, underlying Shares or debentures of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of our Group:

(a) *Interests in Shares of our Company*

<u>Name</u>	<u>Type of interest</u>	<u>Number of Shares held⁽¹⁾</u>	<u>Percentage of shareholding in our Company (%)</u>
Explorer Vantage ⁽²⁾	Beneficial owner	277,200,000 (L)	57.75
Hertford Global ⁽³⁾	Beneficial owner	82,800,000 (L)	17.25
Mr. Darrin Woo ⁽⁴⁾	Interest of spouse	277,200,000 (L)	57.75

Notes:

- (1) The letter "L" denotes the person's long position in our Shares.
- (2) Explorer Vantage was incorporated in the BVI and is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
- (3) Hertford Global was incorporated in the BVI and is beneficially and wholly-owned by Mr. Evan Chow.
- (4) Mr. Darrin Woo is the spouse of Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares which are interested by Ms. Bonnie Chan Woo.

6. Agency fees or commissions received

Save as disclosed in this prospectus, no commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years preceding the date of this prospectus.

7. Disclaimers

Save as disclosed in this prospectus:

- (a) taking no account of Shares which may be taken up under the Share Offer or upon the exercise of any options which may be granted under the Share Option Scheme, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Share Offer, have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group;
- (b) none of our Directors or the chief executives of our Company has any interest or short position in any of the Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules relating to security transactions by directors, in each case once the Shares are listed;
- (c) none of our Directors nor any of the persons whose names are listed in the paragraph headed “D. Other information — 9. Qualifications of experts” in this Appendix IV was directly or indirectly interested in the promotion of our Company, or has any direct or indirect interest in any assets which have been acquired or disposed of by or leased to our Company or any of its subsidiaries, within the two years immediately preceding the date of this prospectus, or were proposed to be acquired or disposed of by or leased to our Company or any of its subsidiaries nor will any Director apply for Offer Shares either in his own name or in the name of a nominee;
- (d) none of the persons whose names are listed in the paragraph headed “D. Other information — 9. Qualifications of experts” of this Appendix IV is materially interested in any contract or arrangement subsisting at the date of this prospectus which was significant in relation to the business of our Group;
- (e) none of our Directors nor any of the persons whose names are listed in the paragraph headed “D. Other information — 9. Qualifications of experts” in this Appendix IV has received any agency fee, commissions, discounts, brokerage or

other special terms from our Group within the two years immediately preceding the date of this prospectus in connection with the issue or sale of any capital of any member of our Group;

- (f) save as disclosed in this prospectus, none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken;
- (g) none of the parties listed in the paragraph headed “D. Other information — 9. Qualifications of experts” of this Appendix IV:
 - (i) are interested legally or beneficially in any securities of any member of our Group;
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of our Group; and
- (h) so far as is known to our Directors as of the Latest Practicable Date, none of our Directors, their respective close associates (as defined under the GEM Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company had any interests in the five largest customers or the vendor of our Group.

D. OTHER INFORMATION

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our Shareholders passed on 16 November 2017.

(a) *Purpose*

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 23 of the GEM Listing Rules and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph (b) below) had or may have made to our Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of our Group; and

- (ii) attract and retain or otherwise maintain an ongoing business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of our Group.

(b) *Who may join*

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (f) below:

- (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (ii) any directors (including independent non-executive directors) of our Company or any of its subsidiaries; and
- (iii) any advisers, consultants, agents, customers and such other persons who in the sole opinion of the Board will contribute or have contributed to our Company or any of its subsidiaries.

(c) *Acceptance of an offer of Options*

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on GEM or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (1), (m), (n), (o) and (p), an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on GEM for the time being, by the grantee by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for our Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to our Company or the approved

independent financial adviser as the case may be pursuant to paragraph (r), our Company shall allot and issue the relevant number of Shares to the grantee credited as fully-paid and issue to the grantee certificates in respect of our Shares so allotted.

The exercise of any option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorised share capital of our Company.

(d) *Maximum number of Shares*

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Share Offer, being 48,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of our Shareholders in general meeting and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of our Shares in issue as of the date of the approval by our Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by our Company to our Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 23.02(2)(d) and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules.

Notwithstanding the foregoing and subject to paragraph (r) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company at any time shall not exceed 30% of our Shares in issue from time to time. No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph (r) below whether by way of consolidation, capitalisation issue, rights issue, sub-division or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

(e) *Maximum number of options to any one individual*

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of our Shares in issue as of the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rule 23.02(2)(d) and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules; and
- (ii) the approval of our Shareholders in general meeting and/or other requirements prescribed under the GEM Listing Rules from time to time with such Eligible Participant and his close associates (as defined in the GEM Listing Rules) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before our Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of our Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:
 - (aa) the Eligible Participant's name, address and occupation;
 - (bb) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
 - (cc) the date upon which an offer for an option must be accepted;
 - (dd) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (c);
 - (ee) the number of Shares in respect of which the option is offered;
 - (ff) the subscription price and the manner of payment of such price for our Shares on and in consequence of the exercise of the option;

(gg) the date of the notice given by the grantee in respect of the exercise of the option; and

(hh) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph (c).

(f) *Price of Shares*

Subject to any adjustments made as described in paragraph (r) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of our Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of our Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(g) *Granting options to core connected persons*

Any grant of options to a director, chief executive or substantial shareholder (as defined in the GEM Listing Rules) of our Company or any of their respective associates (as defined in the GEM Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their respective associates (as defined in the GEM Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the GEM Listing Rules of our Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5.0 million or such other sum as may be from time to time provided under the GEM Listing Rules, based on the official closing price of our Shares at the date of each grant, such further grant of options will be subject to the issue of a circular by our Company and the

approval of our Shareholders in general meeting on a poll at which the proposed grantee, his associates, and all core connected persons (as defined in the GEM Listing Rules) of our Company shall abstain from voting in favour, and/or such other requirements prescribed under the GEM Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by our Company to our Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before our Shareholders' meeting and the date of the Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 23.02(2)(c) and (d) and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules; and
- (iv) the information required under Rule 2.28 of the GEM Listing Rules.

(h) *Restrictions on the times of grant of options*

A grant of options may not be made after inside information has come to the knowledge of our Company until it has been published pursuant to the requirements of the GEM Listing Rules and the inside information provisions of Part XIVA of the SFO. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date was first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's annual, half-yearly, quarterly or other interim period results (whether or not required under the GEM Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of its annual, half-yearly, or quarterly or other interim period results (whether or not required under the GEM Listing Rules),

and ending on the date of actual publication of the relevant results announcement, and where an option is granted to a Director:

- (i) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results and half-yearly results or, if shorter, the period from the end of the relevant quarterly or half-yearly period up to the publication date of the results.

(i) *Rights are personal to grantee*

An option is personal to the grantee and may be exercised in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name our Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding options or any part thereof granted to such grantee.

(j) *Time of exercise of option and duration of the Share Option Scheme*

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by our Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

(k) *Performance target*

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(l) *Rights on ceasing employment or death*

If the grantee of an option ceases to be an employee of our Company or any of its subsidiaries:

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as of the date of cessation (to the extent not already exercised) within a period of one month (or such longer period determined by our Board) from such cessation, which date shall be the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not; or
- (ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months (or such longer period determined by our Board) from such death to exercise the option in full (to the extent not already exercised), failing which it will lapse.

(m) *Rights on dismissal*

If the grantee of an option ceases to be an employee of our Company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of our Group (if so determined by our Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group, or has been convicted of any criminal offense involving his integrity or honesty, his option will lapse and not be exercisable after the date of termination of his employment.

(n) *Rights on takeover*

If a general offer is made to all our Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror (as defined in the Takeovers Code)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option (or his legal personal representatives) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(o) *Rights on winding-up*

In the event that a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or in the case of his death, his legal

personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

(p) *Rights on compromise or arrangement between our Company and its members or creditors*

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our Company or its amalgamation with any other companies, our Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement, and any grantee may exercise all or any of his options in whole or in part at any time prior to 12 noon (Hong Kong time) on the business day immediately preceding the date of the meeting directed to be convened by the relevant court for the purpose of considering such compromise or arrangement, and if there is more than one meeting for such purpose, the date of the first meeting.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement is not approved by the relevant court, the rights of grantees to exercise their respective options shall with effect from such order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by our Company.

(q) *Ranking of Shares*

Our Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will *rank pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise.

(r) *Effect of alterations to capital*

In the event of any alteration in the capital structure of our Company whilst any option may become or remain exercisable, whether by way of capitalisation issue, rights issue, open offer (if there is a price dilutive element), consolidation, sub-division or reduction of share capital of our Company, or otherwise howsoever, such corresponding alterations (if any) shall be made (except on an issue of securities of our Company as consideration in a transaction) in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of our Company or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable and in compliance with Rule 23.03(13) of the GEM Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and/or such other requirement prescribed under the GEM Listing Rules from time to time. The capacity of the auditors of our Company or the independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on our Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of our Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(s) *Expiry of option*

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the option as may be determined by our Board;
- (ii) the expiry of any of the periods referred to in paragraphs (1), (m), (n), (o) or (p);
- (iii) the date on which the scheme of arrangement of our Company referred to in paragraph (p) becomes effective;
- (iv) subject to paragraph (o), the date of commencement of the winding-up of our Company;

- (v) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his or her relationship with our Group on any one or more of the grounds that he has been guilty of serious misconduct, or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of our Group, or has been insolvent, bankrupt or has made arrangements or compositions with his creditors generally or any other ground that would warrant the termination of his employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group. A resolution of the Board to the effect that the relationship of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date on which the Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are cancelled in accordance with paragraph (u) below.

(t) *Alteration of the Share Option Scheme*

The Share Option Scheme may be altered in any respect by resolution of our Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 23.03 of the GEM Listing Rules;
- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted (except any alterations taking effect automatically under the terms of the Share Option Scheme); or
- (iii) any change to the authority of our Board in relation to any alteration to the terms of the Share Option Scheme,

shall first be approved by our Shareholders in general meeting at which any persons to whom or for whose benefit the Shares may be issued under the Share Option Scheme and their respective close associates shall abstain from voting, provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with Chapter 23 of the GEM Listing Rules.

(u) Cancellation of options

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any option is cancelled pursuant to paragraph (i).

(v) Termination of the Share Option Scheme

Our Company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(w) Administration of the Board

The Share Option Scheme shall be subject to the administration of our Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

(x) Condition of the Share Option Scheme

The Share Option Scheme is conditional on:

- (i) the passing of the necessary resolutions by the Shareholders of our Company to approve and adopt the rules of the Share Option Scheme;
- (ii) the Listing Division of the Stock Exchange granting the listing of and permission to deal in our Shares which may fall to be issued pursuant to the exercise of options to be granted under the Share Option Scheme;
- (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise; and
- (iv) the commencement of dealings in our Shares on the Stock Exchange.

If the conditions in paragraph (x) above are not satisfied within six calendar months from the date of adoption:

- (i) the Share Option Scheme shall forthwith determine;

- (ii) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any option granted thereunder.

(y) *Disclosure in annual and interim reports*

Our Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the GEM Listing Rules in force from time to time.

(z) *Present status of the Share Option Scheme*

As of the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Division of the Stock Exchange for the listing of and permission to deal in our Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being 48,000,000 Shares in total.

2. Tax and other indemnities

Our Controlling Shareholders entered into a Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of its present subsidiaries) (being the contract referred to in the paragraph headed “B. Further information about the business of our Company — 1. Summary of material contracts of our Group” in this Appendix IV) to provide indemnities on a joint and several basis in respect of, among other matters, taxation resulting from income, profits or gains earned, accrued or received to which any member of our Group may be subject and payable on or before the date when the Share Offer becomes unconditional.

3. Litigation

As at the Latest Practicable Date, so far as our Directors are aware, no member of our Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance to be pending or threatened against any member of our Group, that would have a material adverse effect on our business, results of operations or financial condition.

4. Sole Sponsor

Success New Spring Capital Limited has made an application on behalf of our Company to the Listing Division of Stock Exchange for listing of, and permission to deal in, the Shares in issue and the Shares to be issued as described in this prospectus (including any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme).

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 6A.07 of the GEM Listing Rules.

The sponsor's fees in relation to the Listing are approximately HK\$3.8 million and are payable by our Company.

5. Promoter

Our Company has no promoter for the purpose of the GEM Listing Rules. Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit had been paid, allotted or given, nor are any such cash, securities or other benefit intended to be paid, allotted or given, to the promoter of our Company in connection with the Share Offer and the related transactions described in this prospectus.

6. Preliminary expenses

The estimated preliminary expenses incurred and paid by our Company were approximately HK\$70,000.

7. Registration procedures

The register of members of our Company will be maintained in the Cayman Islands by Estera Trust (Cayman) Limited and a Hong Kong branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Services Limited. Save where our Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, our Hong Kong Share Registrar and may not be lodged in the Cayman Islands.

8. Taxation of holders of Shares

(a) *Hong Kong*

The sale, purchase and transfer of shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of, if higher, of

the fair value of our Shares being sold or transferred. Profits from dealings in our Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. Our Directors have been advised that no material liability for estate duty under the laws of Hong Kong would likely fall upon any members of our Group.

(b) *Cayman islands*

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(c) *Consultation with professional advisers*

Intending holders of our Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our Shares. It is emphasised that none of our Company, our Directors or the other parties involved in the Share Offer can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

9. Qualifications of experts

The following are the respective qualifications of the experts who have given opinion or advice which are included in this prospectus:

Name	Qualification
Success New Spring Capital Limited	A corporation licensed to carry on for type 6 (advising on corporate finance) regulated activities under the SFO
Appleby	Legal advisers to the Company as to the Cayman Islands law
King & Wood Mallesons	Legal advisers to the Company as to the PRC law
Moore Stephens CPA Limited	Certified public accountants

10. Consents of experts

Each of the experts named in the paragraph headed “9. Qualifications of experts” under this section of this Appendix IV has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or certificates and/or opinions and/or references to its name (as the case may be) included in the form and context in which they are respectively included.

11. Binding effect

This prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Miscellaneous Provisions) Ordinance so far as applicable.

12. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong) and Rule 14.25 of the GEM Listing Rules. In case of any discrepancies between the English language version and the Chinese language version, the English language version shall prevail.

13. No material adverse change

Save for the estimated non-recurring Listing expenses, our Directors confirmed that, up to the date of this prospectus, there has been no material adverse change in financial or trading position or prospects of our Group since 31 May 2017, being the date on which the latest financial information of our Group was reported in the Accountants’ Report included in Appendix I to this prospectus.

14. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

- (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries;
 - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;
- (b) Save as disclosed in this prospectus, no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries have been issued or agreed to be issued;
- (c) None of the persons whose names are listed in the paragraph headed “9. Qualifications of experts” under this section of this Appendix IV:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group.
- (d) The principal register of members of our Company will be maintained in the Cayman Islands by Eterra Trust (Cayman) Limited and the Hong Kong branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Services Limited. Save where our Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by our Hong Kong Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable our Shares to be admitted to CCASS;
- (e) No company within our Group is presently listed on any stock exchange or traded on any trading system;
- (f) Our Directors have been advised that under the Companies Law the use of a Chinese name by our Company does not contravene the Companies Law;
- (g) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group within 24 months preceding the date of this prospectus;
- (h) There are no arrangements in existence under which future dividends are to be or agreed to be waived;

- (i) All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement; and
- (j) Our Group had not issued any debentures nor did it have any outstanding debentures nor any convertible debt securities as at the Latest Practicable Date.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of this prospectus, together with a copy of each of the **WHITE, YELLOW, GREEN** and **PINK** Application Forms, the written consents referred to the paragraph headed “D. Other information — 10. Consents of experts” in Appendix IV to this prospectus and a copy of each of the material contracts referred to in the paragraph headed “B. Further information about the business of our Company — 1. Summary of material contracts of our Group” in Appendix IV to this prospectus have been delivered to the Registrar of Companies in Hong Kong for registration.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Howse Williams Bowers at 27th Floor Alexandra House, 18 Chater Road, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and the Articles;
- (b) the Accountants’ Report of our Company from Moore Stephens CPA Limited, the text of which is set out in Appendix I to this prospectus;
- (c) the audited financial statements of the relevant Group companies for each of the two years ended 31 December 2016;
- (d) the report issued by Moore Stephens CPA Limited relating to the unaudited pro forma financial information, the text of which is set out in Appendix II to this prospectus;
- (e) the letter of advice prepared by Appleby, legal advisers to our Company as to Cayman Islands law, summarising certain aspects of the Cayman Islands company law referred to in Appendix III to this prospectus;
- (f) the Companies Law;
- (g) the material contracts referred to in the paragraph headed “B. Further information about the business of our Company — 1. Summary of material contracts of our Group” in Appendix IV to this prospectus;
- (h) the PRC legal opinion issued by King & Wood Mallesons;

- (i) the service contract with the executive Director and letters of appointment with the non-executive Directors and independent non-executive Directors referred to in the paragraph headed “C. Further information about our Directors and substantial Shareholders — 1. Particulars of Directors’ service contract and letters of appointment” in Appendix IV to this prospectus;
- (j) the written consents referred to in the paragraph headed “D. Other information — 10. Consents of experts” in Appendix IV to this prospectus; and
- (k) the rules of the Share Option Scheme.



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