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i-CONTROL HOLDINGS LIMITED

超智能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8355)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

*This announcement, for which the directors (the “**Directors**”) of i-Control Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2015 (the “**Period**”), together with the comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 December 2015

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Revenue	3	35,369	32,255	110,842	87,246
Cost of inventories sold		(21,357)	(18,227)	(63,550)	(50,800)
Staff cost		(8,622)	(5,386)	(20,826)	(12,921)
Depreciation		(868)	(416)	(1,884)	(1,304)
Other income	3	421	54	625	170
Other operating expenses		(2,496)	(6,005)	(11,768)	(14,975)
Finance costs		(309)	(305)	(996)	(415)
Profit before taxation		2,138	1,970	12,443	7,001
Income tax expense	5	(392)	(2,085)	(3,206)	(3,407)
Profit (Loss) and total comprehensive income (expense) for the period		<u>1,746</u>	<u>(115)</u>	<u>9,237</u>	<u>3,594</u>
Total comprehensive income (expense) attributable to:					
Owners of the Company		1,746	(664)	9,033	2,859
Non-controlling interests		–	549	204	735
		<u>1,746</u>	<u>(115)</u>	<u>9,237</u>	<u>3,594</u>
Earnings (Loss) per share Basic and diluted	7	<u>HK0.17 cents</u>	<u>HK(0.09)cents</u>	<u>HK0.95 cents</u>	<u>HK0.41 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2015

	Attributable to the owners of the Company					Subtotal HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve (Note a) HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000			
At 1 April 2014 (audited)	8,513	-	-	42	15,059	23,614	2,474	26,088
Profit and total comprehensive income for the period	-	-	-	-	2,859	2,859	735	3,594
Issue of Shares	8	-	-	-	-	8	-	8
Reorganisation	(8,513)	-	10,817	-	-	2,304	(934)	1,370
As at 31 December 2014 (unaudited)	<u>8</u>	<u>-</u>	<u>10,817</u>	<u>42</u>	<u>17,918</u>	<u>28,785</u>	<u>2,275</u>	<u>31,060</u>
At 1 April 2015 (audited)	8	-	10,817	(107)	11,120	21,838	2,025	23,863
Profit and total comprehensive income for the period	-	-	-	-	9,033	9,033	204	9,237
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	(2,229)	(2,229)
Issuance of shares	7	-	-	-	-	7	-	7
Issuance of ordinary shares in connection with the listing (note b)	2,500	87,500	-	-	-	90,000	-	90,000
Capitalisation issue (note c)	7,485	(7,485)	-	-	-	-	-	-
Share issue expenses	-	(8,671)	-	-	-	(8,671)	-	(8,671)
At 31 December 2015 (unaudited)	<u>10,000</u>	<u>71,344</u>	<u>10,817</u>	<u>(107)</u>	<u>20,153</u>	<u>112,207</u>	<u>-</u>	<u>112,207</u>

Notes:

- Merger reserve represented the difference between share capital of the new holding company and the aggregate of the share capital of the then holding company of the Group and the companies comprising the Group.
- In connection with the Company's placing and listing, the Company issued 250,000,000 ordinary shares of HK\$0.01 each at a price of HK\$0.36 for a total consideration (before expenses) of HK\$90,000,000. Dealing of the Company's shares on the GEM commenced on 27 May 2015.
- Pursuant to the written resolution passed by the shareholders of the Company on 11 May 2015, the Directors were authorised to capitalise a sum of HK\$7,485,000 standing to the credit of the share premium account of the Company by applying such sum towards the paying up in full at par a total of 748,500,000 shares for allotment and issue to the then shareholders of the Company as at 11 May 2015 in proportion to their then respective shareholdings in the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2015

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands on 21 August 2014 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands. The registered office of the Company is Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and the principal place of business is Units A&B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

The financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the Company’s functional and presentation currency. Other than the subsidiary established in the Peoples’ Republic of China (the “**PRC**”) and Singapore whose functional currency is Renminbi and Singapore dollar respectively, the functional currency of other subsidiaries is HK\$.

The Directors consider the immediate and ultimate holding company is Newmark Group Limited (“**Newmark Group**”), which is incorporated in the British Virgin Islands (the “**BVI**”).

Pursuant to a group reorganisation (the “**Reorganisation**”) of the Company and its subsidiaries to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the GEM, the consultancy and administrative services to related companies of Newmark Company Limited have been transferred to the Group on 29 June 2014. The Company acquired the equity interests of entities under common control and became the holding company of the subsidiaries now comprising the Group on 11 May 2015. Details of the Reorganisation were set out in the prospectus of the Company dated 14 May 2015 (“**Prospectus**”).

The Company is engaged in investment holding while the principal subsidiaries are principally engaged in multimedia audio-visual solutions and related system integration services.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements for the nine months ended 31 December 2015 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosures required by the GEM Listing Rules.

The accounting policies and method of computation used in the preparation of these results are consistent with those used in the annual accounts for the year ended 31 March 2015. The Group has adopted new or revised standards, amendments to standards and interpretations of HKFRSs which are effective for accounting periods commencing on or after 1 April 2015. The adoption of such new or revised standards, amendments to standards and interpretations does not have materials impact on the consolidated accounts and does not result in substantial changes to the Group’s accounting policies.

3. REVENUE AND OTHER INCOME

Revenue represents the amounts received and receivable for services rendered in the normal course of business, net of discounts and sales related taxes and maintenance service income. Analysis of the Group's turnover and other income is as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Revenue				
Service income				
Solution for audiovisual, conferencing, presentation and multimedia control systems including installation services	32,323	29,717	101,625	80,478
Audiovisual system maintenance services	3,046	2,538	9,217	6,768
	<u>35,369</u>	<u>32,255</u>	<u>110,842</u>	<u>87,246</u>
Other income				
Bank interest income	23	–	55	2
Exchange gain	31	54	89	160
Sundry income	367	–	481	8
	<u>421</u>	<u>54</u>	<u>625</u>	<u>170</u>

4. SEGMENT INFORMATION

The Directors consider that there is only one operating and reportable business segment for the Group, the service provider of video conferencing and multimedia audiovisual solution. Such operating segment is reported in a manner consistent with the information reported to the Board, being the chief operating decision maker, for the purpose of resources allocation and performance assessment.

Geographical information

The Group's operations are located in Hong Kong (place of domicile), the PRC and Singapore. The Group's customers are mainly located in Hong Kong, the PRC and Singapore.

An analysis of the Group's revenue from external customers is presented based on the location of customers as below:

	Revenue from external customers			
	Three months ended 31 December		Nine months ended 31 December	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Hong Kong (place of domicile)	31,185	22,304	102,827	73,994
The PRC (other than Hong Kong and Macau)	152	552	2,738	1,381
Singapore	186	9,373	198	9,373
Macau	3,846	26	5,079	2,498
	<u>35,369</u>	<u>32,255</u>	<u>110,842</u>	<u>87,246</u>

5. INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	31 December		31 December	
	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Current income tax				
– Hong Kong Profits Tax	392	1,355	3,176	2,588
– Singapore Corporate Tax	–	668	–	668
Underprovision in prior year	–	49	–	49
	392	2,072	3,176	3,305
Deferred taxation	–	13	30	102
	392	2,085	3,206	3,407
Total income tax expense for the period	392	2,085	3,206	3,407

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the nine months ended 31 December 2015 (for the nine months ended 31 December 2014: 16.5%).

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25% for the nine months ended 31 December 2015 (for the nine months ended 31 December 2014: 25%).

Singapore Corporate Tax is calculated at the rate of 17% on the estimated assessable profit for the nine months ended 31 December 2015 (for the nine months ended 31 December 2014: 17%).

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

6. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the nine months ended 31 December 2015 (for the nine months ended 31 December 2014: Nil).

7. EARNINGS (LOSS) PER SHARE

	Three months ended 31 December		Nine months ended 31 December	
	2015 <i>HK\$'000</i> <i>(Unaudited)</i>	2014 <i>HK\$'000</i> <i>(Unaudited)</i>	2015 <i>HK\$'000</i> <i>(Unaudited)</i>	2014 <i>HK\$'000</i> <i>(Unaudited)</i>
Earnings (Loss)				
Earnings (Loss) for the purpose of basic earnings (loss) per share	<u>1,746</u>	<u>(664)</u>	<u>9,033</u>	<u>2,859</u>
	Three months ended 31 December		Nine months ended 31 December	
	2015 <i>'000</i>	2014 <i>'000</i>	2015 <i>'000</i>	2014 <i>'000</i>
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	<u>1,000,000</u>	<u>750,000</u>	<u>950,000</u>	<u>698,052</u>

The dilutive earnings (loss) per share is equal to the basic earnings (loss) per share as there were no dilutive potential ordinary shares outstanding during the three months and nine months ended 31 December 2015 and 2014.

The weighted average number of ordinary shares in issue during the nine months ended 31 December 2015, three months and nine months ended 31 December 2014 have been retrospectively adjusted for the effect of the capitalisation issue pursuant to the Reorganisation as stated in the Prospectus as if such capitalisation issued shares were issued during the period on pro rata basis.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group maintained its market position as one of the leading service providers of video conferencing and multimedia audiovisual solution, mainly in Hong Kong, and other geographical locations, such as Shanghai and Macau. The Group's services can mainly divided into two lines, namely the provision of (i) solution for audiovisual, conferencing, presentation and multimedia control systems including installation services; and (ii) audiovisual system maintenance services.

The revenue of the Group increased by approximately 27.0% from approximately HK\$87,246,000 for the nine months ended 31 December 2014 to approximately HK\$110,842,000 for the nine months ended 31 December 2015.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 27.0% from approximately HK\$87,246,000 for the nine months ended 31 December 2014 to approximately HK\$110,842,000 for the nine months ended 31 December 2015.

Revenue generated from solution of audiovisual, conferencing, presentation and multimedia control systems including installation services increased by approximately 26.3% from approximately HK\$80,478,000 for the nine months ended 31 December 2014 to approximately HK\$101,625,000 for the nine months ended 31 December 2015, which was primarily attributable to completion of several sizeable projects during the nine months ended 31 December 2015.

Revenue generated from audiovisual system maintenance services increased by approximately 36.2% from approximately HK\$6,768,000 for the nine months ended 31 December 2014 to approximately HK\$9,217,000 for the nine months ended 31 December 2015, which was primarily attributable to increase in number of maintenance projects after completion of projects of solution of audiovisual, conferencing, presentation and multimedia control systems including installation services.

Gross operating margin and gross operating margin ratio

Gross operating margin is calculated based on the revenue for the Period minus cost of inventories sold for the Period. Gross operating margin ratio is calculated based on the gross operating margin for the Period divided by revenue for the Period multiplied by 100%.

Gross operating margin increased by 29.8% from approximately HK\$36,446,000 for the nine months ended 31 December 2014 to approximately HK\$47,292,000 for the nine months ended 31 December 2015, which was primarily attributable to completion of several sizable projects during the nine months ended 31 December 2015.

The gross operating margin ratio increased from approximately 41.8% for the nine months ended 31 December 2014 to 42.7% for the nine months ended 31 December 2015, primarily due to certain projects with a higher gross operating margin were secured due to a higher complexity in respect of the design and installation works involved in these projects.

Staff cost

Staff cost increased by 61.2% from approximately HK\$12,921,000 for the nine months ended 31 December 2014 to approximately HK\$20,826,000 for the nine months ended 31 December 2015, mainly due to increase in commission for staff which was in line with the increased sales and increase in directors' remuneration after listing.

Other operating expenses

Other operating expenses decreased by 21.4% from approximately HK\$14,975,000 for the nine months ended 31 December 2014 to approximately HK\$11,768,000 mainly due to the listing expenses incurred for the nine months ended 31 December 2014 amounted to approximately HK\$10,896,000 while only approximately HK\$3,208,000 incurred for the nine months ended 31 December 2015 netted off with the increase in other expenses such as marketing and promotion fee and carriage cost after listing.

Income tax expenses

Income tax expenses decreased by 5.9% from approximately HK\$3,407,000 for the nine months ended 31 December 2014 to approximately HK\$3,206,000 for the nine months ended 31 December 2015, which was mainly due to decrease in assessable profit for tax purpose, after excluding non-deductible expenses such as listing expenses.

Profit and total comprehensive income for the period

Profit and total comprehensive income for the period increased from approximately HK\$3,594,000 for the nine months ended 31 December 2014 to approximately HK\$9,237,000 for the nine months ended 31 December 2015, which was mainly due to increase in revenue and gross operating margin and decrease in other operating expenses netted off with the increase in staff cost.

PROSPECTS

The Company was listed on GEM on 27 May 2015 which enhanced the Group's reputation, strengthened the corporate governance and compliance management, as well as established a good foundation for our further expansion.

The Group will continue to maintain and strengthen its position as one of the leading video conferencing and multimedia audiovisual solution providers in Hong Kong and to expand our market share in the video conferencing and multimedia audiovisual solution industry in the PRC and Singapore. The Directors believe the Group will continue to grow in the years to come.

MATERIAL ACQUISITION

Pursuant to the announcement by the Company on 11 June 2015, the Group entered into provisional sales and purchase agreements with independent third parties to purchase a warehouse premises and a car park space for own use with an aggregate consideration of approximately HK\$42,380,000. The transaction were completed on 24 July 2015.

USE OF PROCEEDS

The net proceeds from the Placing were approximately HK\$66.3 million, which was based on the final placing price of HK\$0.36 per share and the actual expenses on the listing of shares of the Company. The Group intends to apply and actually used such net proceeds during the period from the date of listing of the Company's shares to 31 December 2015 (the "Period From Listing") as follows:

	Planned use of proceeds as stated in the Prospectus during the Period From Listing HK\$' million	Actual use of proceeds during the Period From Listing HK\$' million
To recruit approximately five senior and experienced sales staff to expand the video conferencing and multimedia audiovisual solution business in Hong Kong	11.5	0.5
To acquire a warehouse in Hong Kong	32.7	32.7
To set up new regional offices with showrooms and recruit approximately 15 new staff in Beijing, Shanghai and Singapore	13.7	0.4
To carry out marketing and promotion activities on both traditional and new media platforms to improve public awareness of the Group and further strengthen its position in Hong Kong, the PRC and Singapore	2.4	1.0
For working capital and other general corporate purposes	6.0	6.0

The business objectives as stated in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The uses of proceeds were applied in accordance with the actual development of the market.

As at 31 December 2015, approximately HK\$40.6 million out of the net proceeds from the listing of the Company's shares was used. The unused net proceeds amounted to approximately HK\$25.7 million were deposited in licensed banks in Hong Kong.

The Company intends to apply the net proceeds in the manner as stated in the Prospectus. However, the Directors will constantly evaluate the Group's business objectives and may change or modify its plans against the changing market condition to attain sustainable business growth of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period From Listing, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTION SCHEME

The share option scheme of the Company (the "**Share Option Scheme**") was adopted under the written resolutions of the shareholders of the Company passed on 11 May 2015. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

No share options were granted, exercised or cancelled by the Company under the Share Option Scheme during the Period From Listing and there were no outstanding share options under the Share Option Scheme as at 31 December 2015 and up to the date of this announcement.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rule 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiries with all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions during the Period.

DISCLOSURE OF INTEREST

(a) Interests and short position of the directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or the associated corporations

As at 31 December 2015, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**") (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required as otherwise to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rule 5.46 of the GEM Listing Rules, were as follows:

(i) *Interests in the Company*

Name	Capacity/Nature of interest	Number of Shares (Note 1)	Approximate percentage of issued Shares
Dr. Wong King Keung (“ Dr. Wong ”)	Beneficial owner Interest of controlled corporation (Note 2)	92,640,000 510,000,000	9.26% 51.00%
Mr. Tong Sai Wong (“ Mr. Tong ”)	Beneficial owner	47,520,000	4.75%
Mr. Chan Wing Yiu (“ Mr. WY Chan ”)	Beneficial owner	47,520,000	4.75%
Mr. Chan Wing Lun (“ Mr. WL Chan ”)	Beneficial owner	47,520,000	4.75%
Mr. Lin Wing Ching (“ Mr. Lin ”)	Beneficial owner	4,800,000	0.49%

Notes:

- (1) All interest stated are long positions.
- (2) These Shares were, and (as the case may be) will be, held by Newmark Group, which is owned as to 38.6% by Dr. Wong. Pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, Dr. Wong is deemed to have an interest in all Shares in which Newmark Group has, or deemed to have, an interest.

(ii) *Interests in associated corporation(s) of the Company*

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of shares	Percentage of shareholding
Dr. Wong	Newmark Group	Beneficial interests	386	38.60%
Mr. Tong	Newmark Group	Beneficial interests	198	19.80%
Mr. WY Chan	Newmark Group	Beneficial interests	198	19.80%
Mr. WL Chan	Newmark Group	Beneficial interests	198	19.80%
Mr. Lin	Newmark Group	Beneficial interests	20	2.00%

Save as disclosed above, as at 31 December 2015, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) which were otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealing by the Directors as referred to Rule 5.46 of the GEM Listing Rules.

(b) Interests and short positions of the substantial shareholders in the shares and underlying shares

Save as disclosed above, as at 31 December 2015, the Directors and chief executive of the Company were not aware of any other person, not being a Director or chief executive of the Company, who has an interest or short position in the Shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, at no time during the Period was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2015, none of the Directors or their respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

INTERESTS OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Pan Asia Corporate Finance Limited ("**Pan Asia**"), neither Pan Asia nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules (except for the compliance adviser agreement entered into between the Company and Pan Asia in May 2015) as at 31 December 2015 and the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company maintains a high standard of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the "**CG Code**"). To the best knowledge of the Board, the Company had complied with the code provisions in the CG Code since the date of listing and up to the date of this announcement.

REVIEW OF RESULTS

The Board has established an audit committee (the “**Audit Committee**”) on 11 May 2015, which operates under terms of reference approved by the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Dr. Chan Man Hung, Dr. Lai Wing Chueng and Mr. Lum Pak Sum. Mr. Lum Pak Sum is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2015 with the management and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Tong Sai Wong
Chairman

Hong Kong, 2 February 2016

As at the date of this announcement, the executive Directors are Mr. Tong Sai Wong, Mr. Chan Wing Yiu and Mr. Chan Wing Lun; the non-executive directors are Dr. Wong King Keung and Mr. Lin Wing Ching; and the independent non-executive Directors are Dr. Chan Man Hung, Dr. Lai Wing Chueng and Mr. Lum Pak Sum.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.i-control.com.hk.