

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ICO Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8140)

**PROPOSED SHARE SUBDIVISION,
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting (the “EGM”) of the Company to be held at 1804, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Friday, 2 October 2015 at 11:00 a.m. is set out on pages 11 to 12 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) at www.hkexnews.hk and the Company at www.ico.com.hk.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

This circular will remain on the Stock Exchange’s website at www.hkexnews.hk on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at www.ico.com.hk.

* For identification purpose only

<p style="text-align: center;">CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE</p>

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 4 September 2015 in relation to, among other matters, the proposed Share Subdivision and the proposed Change in Board Lot Size
“Board”	the board of Directors of the Company
“Business Day”	a day (other than a Saturday or Sunday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares to 4,000 Subdivided Shares
“Company”	ICO Group Limited (stock code: 8140), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Share Subdivision and the transactions contemplated thereunder, the notice of which is set out on page 11 to 12 of this circular
“Existing Share Certificate(s)”	existing form of certificate(s) of the Shares
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	11 September 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“New Share Certificate(s)”	form of certificate(s) of the Subdivided Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Subdivision
“Shareholder(s)”	holder(s) of the Share(s) or Subdivided Share(s), as the case may be
“Share Subdivision”	the proposed subdivision of every one (1) issued and unissued Share of par value of HK\$0.01 each into four (4) Subdivided Shares of par value of HK\$0.0025 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company upon the Share Subdivision becoming effective
“%”	percentage or per cent.

EXPECTED TIMETABLE

The expected timetable relating to the Share Subdivision and the Change in Board Lot Size and the associated trading arrangement are as follows:

Latest time for lodging form of proxy for the EGM
(not less than 48 hours prior to time of the EGM)..... 11:00 a.m. on Wednesday,
30 September 2015

Expected date and time of the EGM..... 11:00 a.m. on Friday,
2 October 2015

Publication of the announcement of poll results of the EGM..... Friday, 2 October 2015

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” in the Letter from the Board contained in this circular.

Effective date of the Share Subdivision..... Monday, 5 October 2015

Free exchange of Existing Share Certificates for
New Share Certificates commences..... Monday, 5 October 2015

Dealing in Subdivided Shares commences 9:00 a.m. Monday,
5 October 2015

Original counter for trading in existing Shares
(in board lots of 2,000 existing Shares) closes 9:00 a.m. Monday,
5 October 2015

Temporary counter for trading in Subdivided
Shares in board lots of 8,000 Subdivided Shares
(in form of the Existing Share
Certificates in red colour) opens..... 9:00 a.m. Monday,
5 October 2015

Original counter for trading in Subdivided Shares
(in board lots of 4,000 Subdivided Shares
in form of New Share Certificates in blue colour) re-opens 9:00 a.m. Monday,
19 October 2015

Parallel trading in existing Shares and Subdivided
Shares (in form of Existing Share Certificates in red
colour and New Share Certificates in blue colour) begins..... 9:00 a.m. Monday,
19 October 2015

Temporary counter for trading in Subdivided Shares
in board lots of 8,000 Subdivided Shares (in form
of Existing Share Certificates in red colour) closes 4:00 p.m. Monday,
9 November 2015

EXPECTED TIMETABLE

Parallel trading in existing Shares and Subdivided Shares
(in form of Existing Share Certificates in red colour
and New Share Certificates in blue colour) ends 4:00 p.m. Monday,
9 November 2015

Free exchange of Existing Share Certificates in red colour
for New Share Certificates in blue colour ends..... Wednesday, 11 November 2015

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above and in this circular are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

LETTER FROM THE BOARD



ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8140)

Executive Directors:

Mr. Yong Man Kin (*Chairman*)

Mr. Lee Cheong Yuen (*Chief Executive Officer*)

Non-executive Directors:

Mr. Chan Kwok Pui

Mr. Tam Kwok Wah

Independent non-executive Directors:

Dr. Chan Mee Yee

Dr. Chow Kam Pui

Ms. Kam Man Yi Margaret

Registered office:

Clifton House

75 Fort Street

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

Principal place of business

in Hong Kong:

30/F., Siu On Centre

188 Lockhart Road

Wan Chai, Hong Kong

14 September 2015

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE SUBDIVISION,
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

As disclosed in the Announcement, the Board proposes to put forward the Share Subdivision and the Change in Board Lot Size involving (i) subdivision of every one (1) existing issued and unissued Share of par value of HK\$0.01 each in the share capital of the Company into four (4) Subdivided Shares of par value of HK\$0.0025 each; and (ii) the Change in Board Lot Size of the Shares for the trading on the Stock Exchange from 2,000 existing Shares to 4,000 Subdivided Shares after and conditional upon the Share Subdivision becoming effective.

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, information relating to (a) the Share Subdivision; (b) the Change in Board Lot Size; and (c) the notice of EGM at which an ordinary resolution will be proposed to approve, the Share Subdivision.

PROPOSED SHARE SUBDIVISION

The Board proposes that every one (1) existing issued and unissued Share of par value of HK\$0.01 each in the share capital of the Company will be subdivided into four (4) Subdivided Shares of par value of HK\$0.0025 each.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon (i) the passing of the ordinary resolution to approve the Share Subdivision by the Shareholders at the EGM; and (ii) the Stock Exchange granting approval to the listing of, and permission to deal in, the Subdivided Shares.

Assuming all the conditions are fulfilled, the Share Subdivision will become effective on the Business Day following the passing of the ordinary resolution at the EGM, which is expected to be held on Friday, 2 October 2015.

Effect of the Share Subdivision

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.01 each, of which 1,000,000,000 Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the EGM, immediately after the Share Subdivision becoming effective, the authorised share capital of the Company will become HK\$100,000,000 divided into 40,000,000,000 Subdivided Shares of par value of HK\$0.0025 each, of which 4,000,000,000 Subdivided Shares of par value of HK\$0.0025 each will be in issue which are fully paid or credited as fully paid.

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank *pari passu* in all respects with each other and the Share Subdivision will not result in any change in the rights of the Shareholders.

Expected effective date of the Share Subdivision

Subject to the above conditions being fulfilled, the Share Subdivision is expected to become effective on Monday, 5 October 2015.

Free exchange of Subdivided Shares' certificates and trading arrangement

Subject to the Share Subdivision becoming effective, which is expected to be on Monday, 5 October 2015, Shareholders may, during the period from Monday, 5 October 2015 to Wednesday, 11 November 2015 (both days inclusive) between 9:00 a.m. and 4:00 p.m. on any Business Day, submit their Existing Share Certificate(s) in red colour to the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, to

LETTER FROM THE BOARD

exchange, at the expense of the Company, for New Share Certificate(s) of the Subdivided Shares in blue colour. Thereafter, Existing Share Certificate(s) will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each New Share Certificate issued or each Existing Share Certificate cancelled whichever the number of certificates issued or cancelled is higher. Nevertheless, the Existing Share Certificate(s) will continue to be good evidence of legal title and may be exchanged for New Share Certificate(s) for the Subdivided Shares at any time at the expenses of the Shareholders. After Monday, 9 November 2015 and onwards, the Existing Share Certificate(s) will not be accepted for trading, settlement and registration purpose.

It is expected that the New Share Certificates will be available for collection within a period of ten Business Days after submission of the Existing Share Certificates.

Securities convertible or exchangeable into Shares

As at the Latest Practicable Date, the Company has not adopted any share option scheme and does not have any derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Listing Application

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares.

Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought on other stock exchanges.

PROPOSED CHANGE OF BOARD LOT SIZE

As at the Latest Practicable Date, the Shares are traded in board lots of 2,000 Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 2,000 Shares to 4,000 Subdivided Shares after and conditional upon the Share Subdivision becoming effective. The Change in Board Lot Size will not affect any of the relative rights of the Shareholders.

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Based on the closing price of HK\$3.15 per Share (equivalent to HK\$0.7875 per Subdivided Share) as quoted on the Stock Exchange on the Latest Practicable Date, the market value of each board lot of 4,000 Subdivided Shares, assuming the Share Subdivision and the Change in Board Lot Size had already become effective, would be HK\$3,150.

Odd lot arrangement

The Board expects that no odd lot of the Shares will be created as a result of the Share Subdivision and the Change in Board Lot Size, no odd lot arrangement to match the sales and purchase of odd lots will be made.

REASONS FOR THE PROPOSED SHARE SUBDIVISION AND THE PROPOSED CHANGE IN BOARD LOT SIZE

Upon the proposed Share Subdivision becoming effective, the par value of each Share of the Company will be decreased and the total number of shares of the Company in issue will be increased. The Share Subdivision will result in a downward adjustment to the trading price of the shares of the Company. Based on the closing price of HK\$3.15 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the market value per board lot of 2,000 existing Shares is HK\$6,300. The estimated market value per new board lot of 4,000 Subdivided Shares will theoretically be reduced to HK\$3,150 immediately upon the Share Subdivision and the Change in Board Lot Size becoming effective. The Board believes that the Share Subdivision will reduce the trading spread as well as the volatility of the trading price of the Shares and thus improving liquidity in the Subdivided Shares. The Board also considers that the proposed Change in Board Lot Size will maintain the trading value for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the Share Subdivision and the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the proportionate interests of the Shareholders. The Directors believe that the Share Subdivision and the Change in Board Lot Size will not have any adverse impact on the financial position of the Group.

In view of the above, the Board considers that the Share Subdivision and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole.

WARNING

Shareholders and potential investors should be aware of and take note that the Share Subdivision is conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions of the Share Subdivision” above in this circular, and the Change in Board Lot Size is conditional upon the Share Subdivision becoming effective. Accordingly, the Share Subdivision and the Change in Board Lot Size may or may not

LETTER FROM THE BOARD

proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE EGM

The Share Subdivision will be conditional, among other matters, upon the passing by the Shareholders of the ordinary resolution at the EGM.

Set out on pages 11 to 12 of this circular is a notice convening the EGM to be held at 1804, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong at 11:00 a.m. on Friday, 2 October 2015. Ordinary resolution will be proposed at the EGM to consider, and thought fit, to approve the Share Subdivision and the transactions contemplated thereunder.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The resolution proposed to be approved at the EGM will be taken by way of poll pursuant to the GEM Listing Rules and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution to be proposed at the EGM to approve the Share Subdivision.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Share Subdivision and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution at the EGM to approve the Share Subdivision.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, New Spring Capital Limited, as at the Latest Practicable Date, except for (i) acting as the sponsor in relation to the listing of the Company; and (ii) the compliance adviser agreement entered into between the Company and

LETTER FROM THE BOARD

New Spring Capital Limited dated 3 March 2015, neither New Spring Capital Limited or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interest in relation to the Group.

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling shareholders of the Company and their respective close associates as defined under the GEM Listing Rules is interested in any business which competes or is likely to compete, directly or indirectly, with the business of the Group.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

Yours faithfully,
By Order of the Board
ICO Group Limited
Yong Man Kin
Chairman and Executive Director

NOTICE OF EGM



ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8140)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of ICO Group Limited (the “**Company**”) will be held at 1804, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Friday, 2 October 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon, among others, the granting by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) the listing of, and permission to deal in, the Subdivided Shares (as defined below), with effect from the first business day which is a settlement day for the trading of the shares of the Company on the Stock Exchange immediately following the date on which this resolution is passed by the shareholders of the Company, each of the issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company be and is hereby subdivided into four (4) ordinary shares of HK\$0.0025 each (the “**Subdivided Shares**”) (the “**Share Subdivision**”), and that any director of the Company be and is hereby authorised to sign and execute such documents, instruments and agreements and to do all such acts and things deemed by the directors of the Company in his/her absolute discretion to be incidental to, ancillary to or in connection with any of the foregoing as he/she considers necessary, desirable or expedient in connection with the implementation of or giving effect to any of the foregoing, including but not limited to, the cancellation of any existing share certificates and to issue new share certificates in respect of the Subdivided Shares to holders of the existing shares of the Company pursuant to the Share Subdivision.”

By Order of the Board
ICO Group Limited
Yong Man Kin

Chairman and Executive Director

Hong Kong, 14 September 2015

* *For identification purpose only*

NOTICE OF EGM

Registered office:
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

*Principal place of business
in Hong Kong:*
30/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

Notes:

- (1) As at the date of this notice, the executive directors of the Company (the “**Directors**”) are Mr. Lee Cheong Yuen and Mr. Yong Man Kin; the non-executive Directors are Mr. Chan Kwok Pui and Mr. Tam Kwok Wah; and the independent non-executive Directors are Dr. Chan Mee Yee, Dr. Chow Kam Pui and Ms. Kam Man Yi Margaret.
- (2) A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (3) A form of proxy for use at the EGM is enclosed with the circular of the Company dated 14 September 2015. Whether or not you intend to attend the EGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he/she/it so wish.
- (4) In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company’s Hong Kong branch share registrar, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
- (5) In the case of joint holders of shares, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.