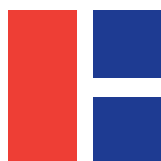


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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



**ICO GROUP LIMITED**

**揚科集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code on GEM: 8140)**

**(Stock Code on Main Board: 1460)**

**TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET  
TO THE MAIN BOARD OF THE STOCK EXCHANGE OF  
HONG KONG LIMITED**

Reference is made to the announcement issued by the Company dated 30 June 2016 in relation to the formal application submitted to the Stock Exchange for the Transfer of Listing pursuant to Chapter 9A of the Main Board Listing Rules.

The Board is pleased to announce that the approval-in-principle to the Transfer of Listing has been granted by the Stock Exchange on 3 October 2016. The last day of dealings in the Shares on GEM (Stock code: 8140) will be Tuesday, 11 October 2016. It is expected that dealings in the Shares on the Main Board (Stock code: 1460) will commence at 9:00 a.m. on Wednesday, 12 October 2016.

The Board confirms that as at the date of this announcement, all the pre-conditions for the Transfer of Listing as set out in Rule 9A.02 of the Main Board Listing Rules have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

\* For identification purpose only

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares, which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. No change is proposed to be made to the English and Chinese stock short names of the Company, the share certificate, the board lot size which is 4,000 Shares each, the trading currency of the Shares which is in Hong Kong dollars, and the share registrar and transfer office of the Company in Hong Kong which is Union Registrars Limited, following the Transfer of Listing.

Reference is made to the announcement issued by the Company dated 30 June 2016 in relation to the formal application submitted to the Stock Exchange for the Transfer of Listing pursuant to Chapter 9A of the Main Board Listing Rules.

## **TRANSFER OF LISTING**

An application was made by the Company to the Stock Exchange for the listing of, and permission to deal in, (i) 4,000,000,000 Shares in issue; and (ii) any Shares which may fall to be allotted and issued upon exercise of any options which may be granted under the Share Option Scheme.

The Board is pleased to announce that the approval-in-principle to the Transfer of Listing has been granted by the Stock Exchange on 3 October 2016. The last day of dealings in the Shares (Stock code: 8140) on GEM will be Tuesday, 11 October 2016. It is expected that dealings in the Shares on the Main Board (stock code: 1460) will commence at 9:00 a.m. on Wednesday, 12 October 2016.

The Board confirms that as at the date of this announcement, all the pre-conditions for the Transfer of Listing as set out in Rule 9A.02 of the Main Board Listing Rules have, insofar as applicable, been fulfilled in relation to the Company and the securities of the Company.

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 18 March 2015, the date on which the Shares were first listed on GEM. Subject to continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares, which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. No change is proposed to be made to the English and Chinese stock short names of the Company, the share certificate, the board lot size which is 4,000 Shares each, the trading currency of the Shares which is in Hong Kong dollars, and the share registrar and transfer office of the Company in Hong Kong which is Union Registrars Limited, following the Transfer of Listing.

## **REASON FOR THE TRANSFER OF LISTING**

The Company has been listed on GEM since 18 March 2015. The Company is an investment holding company. The Group is an IT service provider of IT application and solution development services, secondment services, maintenance and support services and IT infrastructure solutions.

The Directors believe that the Transfer of Listing will enhance the profile of the Group and improve the trading liquidity of the Shares and recognitions by potential investors. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth and business development of the Group. There is no intention of the Board to change the nature of business of the Group following the Transfer of Listing. The Transfer of Listing will not involve issue of any new Shares by the Company.

## **SHARE OPTION SCHEME**

The Company adopted the Share Option Scheme on 12 August 2016, which became effective on 12 August 2016. 400,000,000 Shares may be granted under the Share Option Scheme since the Share Option Scheme became effective and remained outstanding as at the date of this announcement.

The Share Option Scheme will remain valid and effective following the Transfer of Listing to the Main Board and will be implemented in full compliance with the requirements under Chapter 17 of the Main Board Listing Rules. Following the Transfer of Listing, (i) the Shares issued and to be issued upon exercise of options, which have been granted under the Share Option Scheme; and (ii) the Shares to be issued upon exercise of options, which may be granted under the Share Option Scheme, will be listed on the Main Board.

## **GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders on 12 August 2016 will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company as required by its Articles or any applicable laws to be held; or
- (c) the revocation or variation of such authority by an ordinary resolution of Shareholders in general meeting.

## **PUBLIC FLOAT**

The Directors confirm that no less than 25% of the total issued share capital of the Company was held by the public (as defined in the Main Board Listing Rules) as at the Latest Practicable Date. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Main Board Listing Rules.

Save as disclosed above, there are no outstanding options, warrants or similar rights or convertible equity securities issued by the Company, which will be transferred to the Main Board as at the date of this announcement.

## **COMPETING INTEREST**

As at the date of this announcement, none of the controlling shareholders of the Company or the Directors or their respective associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group pursuant to Rule 9A.09 (10) of the Main Board Listing Rules.

## **PUBLICATION OF RESULTS**

Upon the Transfer of Listing, the Company will cease the practice of reporting financial results on a quarterly basis and will follow the relevant requirements of the Main Board Listing Rules, which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial years, respectively. The Directors are of the view that potential investors and Shareholders will continue to have access to relevant information of the Company following the reporting requirements under the Main Board Listing Rules. Meanwhile, the first quarterly report of the Group for the three months ended 30 June 2016 has been published on 12 August 2016 in accordance with the GEM Listing Rules.

## **BUSINESS AND FINANCIAL OVERVIEW**

Established in 1992, the Group is an IT service provider based in Hong Kong. The Group is principally engaged in the following businesses: (i) provision of IT application and solution development services; (ii) provision of secondment services; (iii) provision of maintenance and support services; and (iv) provision of IT infrastructure solutions. The Shares were listed on GEM since 18 March 2015.

### **Material risks associated with the Group's business**

***The Group may encounter cost overruns or delays in the IT application and solution development projects, which may materially and adversely affect the Group's business, financial position and results of operation***

The Group generally provides IT application and solution development services on a project basis. Some IT application and solution development projects are awarded through competitive tendering process. The Group has to estimate the time and costs needed for the implementation of these IT application and solution development projects in order to determine the quotations. There is no assurance that the actual time taken and costs incurred would not exceed the estimation. The Group expects to continue bidding on fixed-price contracts, the terms of which normally require the Group to complete a project for a fixed price, increasing the possibility of exposing the Group to cost overruns and resulting in lower profits or losses in a project.

The actual time taken and cost incurred by the Group in completing IT application and solution development projects may be affected by many factors, including technical difficulties, integration with third party vendors' products, and other unforeseeable problems and circumstances. Any of these factors could cause delays in the completion of project or cost overruns.

Most of the IT application and solution development projects are subject to specific completion schedules and some of the customers are entitled to claim liquidated damages from the Group if the Group does not meet the schedules. Liquidated damages are typically levied at an agreed rate for each day or part of a day for such delay. Failure to meet the schedule requirements of the contracts may result in a significant number of liquidated damages claims, other contract liabilities and disputes with the customers or even the termination of relevant contracts. There is no guarantee that the Group would not encounter cost overruns or delays in current and future IT application and solution development projects. Should such problems occur, the Group's business, financial position and results of operations would be materially and adversely affected.

***The Group relies on the subcontractor contract with the PRC partner***

The Group relies on the subcontractor contract with the PRC partner for a large-scale IT application and solution development project, including the provision of maintenance and support services (“**Project A**”) for a government department in Hong Kong till 2027, of which the IT application and solution development services of Project A will be completed in March 2018, and the maintenance and support services will be subsequently commenced. As Project A was awarded to the Group in November 2014, the PRC Partner was the Group's largest customer for the years ended 31 March 2015 and 2016 and the revenue from the PRC Partner accounted for approximately 35% and 39% respectively of the Group's total revenue. Upon the completion of IT application and solution development services of Project A, it is expected that the Group's revenue contributed by Project A will be substantially decreased by approximately 57.8% for the year ending 31 March 2017 as compared to the year ended 31 March 2016, hence, the Group's financial performance may be adversely affected. For the details of revenue contributed/to be contributed by Project A, please refer to the paragraph headed “Information on Project A” in this announcement. It is not assured that the Group can successfully expand its customer base and secure new customers given the competitiveness of the industry in which the Group operates. Reduction in demand for services or termination of the contract by the largest customer may cause material decrease in revenue which in turn may adversely affect the Group's business, financial conditions and results of operation.

Furthermore, if there is early termination, suspension, delay or postponement of Project A, the Group's revenue, gross profit and financial performance will be adversely affected. In such case, the Group may not be able to achieve a level of profit comparable to that of the past in the future. Should the early termination or material delays of Project A result in deterioration of the Group's financial performance, the liquidity, financial position, business operations and prospects of the Group will be adversely affected and investors of the Company will be exposed to high risk of investment.

***The Group's contracts are project based which creates uncertainty on future revenue streams***

The Group's IT application and solution development services are conducted on a project-by-project basis which is not recurring in nature. The Group's customers may subsequently engage the Group in enhancement works or conducting upgrades for the systems developed by the Group in previous projects. The customers may also engage the Group to develop new IT systems after the retirement of outdated systems. However, there is no assurance that the customers will continue to provide the Group with new businesses after completion of the Group's projects.

After the completion of IT application and solution development projects, the Group usually provides maintenance and support services to the customers under separate agreements. The Group cannot guarantee that these maintenance and support service agreements will be renewed in the future nor can the Group guarantee that it shall be able to enter into new agreements with the customers. In the event that the Group is unable to renew the existing agreements or secure new engagements with customers or the Group's customers substantially reduce their purchase orders, the Group's business and future revenue will likely be adversely affected.

**Key financial information**

The following table sets forth the selected financial information of the Group for the years ended 31 March 2014, 2015 and 2016:

	<b>Year ended 31 March</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	189,984	389,268	505,117
Cost of sales	<u>(150,957)</u>	<u>(317,125)</u>	<u>(419,210)</u>
Gross profit	39,027	72,143	85,907
Other revenue	344	1,148	1,209
Other net income	139	571	4
Listing expenses	(7,402)	(6,618)	—
General and administrative expenses	<u>(29,525)</u>	<u>(36,748)</u>	<u>(47,510)</u>
Profit from operations	2,583	30,496	39,610
Finance costs	<u>(147)</u>	<u>(176)</u>	<u>(3)</u>
<b>Profit before taxation</b>	2,436	30,320	39,607
Income tax	<u>(1,806)</u>	<u>(6,116)</u>	<u>(6,630)</u>
<b>Profit for the year</b>	<u><u>630</u></u>	<u><u>24,204</u></u>	<u><u>32,977</u></u>

## Revenue

The following table sets out the Group's revenue by business segments for the years ended 31 March 2014, 2015 and 2016:

	2014		Year ended 31 March 2015		2016	
	<i>Number of projects</i>	<i>HK\$'000</i>	<i>%</i>	<i>Number of projects</i>	<i>HK\$'000</i>	<i>%</i>
IT application and solution development	21	21,679	11.4	21	157,631	40.5
IT infrastructure solutions	374	108,031	56.9	441	172,527	44.3
Secondment services	16	40,660	21.4	11	36,984	9.5
Maintenance and support services	26	19,614	10.3	36	22,126	5.7
	<u>437</u>	<u>189,984</u>	<u>100.0</u>	<u>509</u>	<u>389,268</u>	<u>100.0</u>
	<u>974</u>	<u>505,117</u>	<u>100.0</u>			

## Gross profit and gross profit margin

The following table sets out the Group's gross profit and gross profit margin by business segments for the years ended 31 March 2014, 2015 and 2016:

	2014		Year ended 31 March 2015		2016	
	<i>HK\$'000</i>	<i>Gross profit margin %</i>	<i>HK\$'000</i>	<i>Gross profit margin %</i>	<i>HK\$'000</i>	<i>Gross profit margin %</i>
IT application and solution development	10,458	48.2	36,381	23.1	53,266	23.1
IT infrastructure solutions	11,410	10.6	18,135	10.5	18,671	8.4
Secondment services	10,705	26.3	9,828	26.6	4,525	19.6
Maintenance and support services	<u>6,454</u>	<u>32.9</u>	<u>7,799</u>	<u>35.2</u>	<u>9,445</u>	<u>33.7</u>
	<u>39,027</u>	<u>20.5</u>	<u>72,143</u>	<u>18.5</u>	<u>85,907</u>	<u>17.0</u>

## Material fluctuations

### *The year ended 31 March 2016 compared to the year ended 31 March 2015*

The Group's revenue for the year ended 31 March 2016 amounted to approximately HK\$505.1 million, representing an increase of approximately HK\$115.8 million or 30% compared to the year ended 31 March 2015 (2015: approximately HK\$389.3 million). The increase was mainly attributable to the combined effects of: (i) the increase in revenue generated from provision of IT application and solution development services of approximately HK\$73.1 million; (ii) the increase in revenue generated from provision of IT infrastructure solutions of approximately HK\$50.8 million; (iii) the increase in revenue generated from provision of maintenance and support services of approximately HK\$5.9 million; and (iv) a decrease in revenue generated from provision of secondment services of approximately HK\$13.9 million.



The revenue generated from provision of IT application and solution development services amounted to approximately HK\$230.7 million, representing approximately 46% of the revenue for the year ended 31 March 2016. The revenue derived from provision of IT application and solution development services increased by approximately 46% from HK\$157.6 million for the year ended 31 March 2015 to approximately HK\$230.7 million for the year ended 31 March 2016, the increase was primarily due to the significant amount of revenue recognised from (i) Project A which was commenced since November 2014 and (ii) a number of sizable new IT projects in the financial sectors. The revenue generated from provision of IT infrastructure solutions accounted for approximately 44% of the revenue for the year ended 31 March 2016. The revenue from provision of IT infrastructure solutions increased from approximately HK\$172.5 million for the year ended 31 March 2015 to approximately HK\$223.3 million for the year ended 31 March 2016, the increase was primarily due to the expansion of the Group's sales channel during the year ended 31 March 2016 as a result of the Group's effort to diversify its customer portfolio by setting up a new sales team and absorbing new customers in the construction, retail and telecommunication sectors. The revenue generated from provision of secondment services amounted to approximately HK\$23.1 million, representing approximately 5% of the revenue for the year ended 31 March 2016. The revenue derived from provision of secondment services decreased by approximately 38% from approximately HK\$37.0 million for the year ended 31 March 2015 to approximately HK\$23.1 million for the year ended 31 March 2016, the decrease was primarily due to (i) the completion of several secondment contracts during the year ended 31 March 2015 and (ii) the decrease in demand for seconded staff from one of the Group's major secondment customers. The revenue generated from provision of maintenance and support services amounted to approximately HK\$28.0 million, representing approximately 6% of the revenue for the year ended 31 March 2016. The revenue derived from provision of maintenance and support services increased by approximately 27% from HK\$22.1 million for the year ended 31 March 2015 to HK\$28.0 million for the year ended 31 March 2016, the increase was primarily due to (i) a number of new maintenance and support services agreements were awarded by existing customers from IT application and solution development and IT infrastructure solutions segments, for which the majority were awarded subsequent to the completion of IT application and solution development and IT infrastructure solution services; and (ii) an increase in premium charged for renewal of existing maintenance and support contracts during the year ended 31 March 2016.

The significant increase in the revenue derived from provision of IT application and solution development over the Group's overall revenue of approximately 40.5% for the year ended 31 March 2015 to 45.7% for the year ended 31 March 2016, which was mainly due to the significant increase in the revenue contributed by Project A under provision of IT application and solution development as well as the Group's overall revenue for the year ended 31 March 2016. The slightly decrease in the revenue derived from provision of IT infrastructure solutions over the Group's overall revenue of approximately 44.3% for the year ended 31 March 2015 to 44.2% for the year ended 31 March 2016, which was mainly due to the significant increase in the Group's overall revenue growth outweighed the increase in the revenue derived from provision of IT infrastructure solutions for the year ended 31 March 2016. The decrease in revenue derived from provision of secondment services over the Group's overall revenue of approximately 9.5% for the year ended 31 March 2015 to 4.6% for the year ended 31 March 2016, which was the combined effect of the significant increase in the Group's overall revenue growth and the decrease in the revenue derived from provision of secondment services for the year ended 31 March 2016.



The decrease in revenue derived from provision of maintenance and support services over the Group's overall revenue of approximately 5.7% for the year ended 31 March 2015 to 5.5% for the year ended 31 March 2016, which was mainly due to the significant increase in the Group's overall revenue growth outweighed the increase in the revenue derived from provision of maintenance and support services for the year ended 31 March 2016.

The gross profit of the Group increased by approximately 19% from approximately HK\$72.1 million for the year ended 31 March 2015 to approximately HK\$85.9 million for the year ended 31 March 2016, while the gross profit margin of the Group decreased from approximately 19% for the year ended 31 March 2015 to approximately 17% for the year ended 31 March 2016. Such changes were mainly the combined effects of (i) the increase in gross profit generated from provision of IT application and solution development services and provision of maintenance and support services of approximately HK\$16.9 million and HK\$1.6 million respectively, which were in line with the increase in revenue for these segments; (ii) the decrease in gross profit and gross profit margin for provision of secondment services from approximately HK\$9.8 million to HK\$4.5 million, and 27% to 20% respectively, which was resulted from the decrease in revenue from this segment and the increment of staff cost during the year ended 31 March 2016; and (iii) the decrease in gross profit margin for provision of IT infrastructure solutions from approximately 11% to 8% due to the adoption of a competitive pricing strategy by the Group as a result of the Group's effort to expand its sales channel.

#### ***The year ended 31 March 2015 compared to the year ended 31 March 2014***

The Group's revenue for the year ended 31 March 2015 amounted to approximately HK\$389.3 million, representing an increase of approximately HK\$199.3 million or 105% compared to the year ended 31 March 2014 (2014: approximately HK\$190.0 million). The increase was mainly attributable to the combined effect of: (i) the increase in revenue generated from provision of IT application and solution development services of approximately HK\$136.0 million; (ii) the increase in revenue generated from provision of IT infrastructure solutions of approximately HK\$64.5 million; (iii) the increase in revenue generated from provision of maintenance and support services of approximately HK\$2.5 million; and (iv) a decrease in revenue generated from provision of secondment services of approximately HK\$3.7 million.

The revenue generated from provision of IT application and solution development services amounted to approximately HK\$157.6 million, representing approximately 40% of the revenue for the year ended 31 March 2015. The revenue derived from provision of IT application and solution development services increased by approximately 6.3 times from HK\$21.7 million for the year ended 31 March 2014 to approximately HK\$157.6 million for the year ended 31 March 2015, the increase was primarily due to the significant amount of revenue recognised from Project A due to its scale and the Group's ability to meet the expected timetable and development schedule. The majority of the Group's revenue was generated from provision of IT infrastructure solutions which accounted for approximately 44% of the revenue for the year ended 31 March 2015. The revenue from provision of IT infrastructure solutions increased from approximately HK\$108.0 million for the year ended 31 March 2014 to approximately HK\$172.5 million for the year ended 31 March 2015, the increase was primarily due to (i) the Group expanded its market in the financial sector for the year ended 31 March 2015; and (ii) demand from existing customers increased due to

their needs for technological refreshment. The revenue generated from provision of secondment services amounted to approximately HK\$37.0 million, representing approximately 10% of the revenue for the year ended 31 March 2015. The revenue derived from provision of secondment services decreased by approximately 9% from approximately HK\$40.7 million for the year ended 31 March 2014 to approximately HK\$37.0 million for the year ended 31 March 2015, the decrease was primarily due to the completion of secondment contracts for the year ended 31 March 2015. The revenue generated from provision of maintenance and support services amounted to approximately HK\$22.1 million, representing approximately 6% of the revenue for the year ended 31 March 2015. The revenue derived from provision of maintenance and support services increased by approximately 13% from HK\$19.6 million for the year ended 31 March 2014 to HK\$22.1 million for the year ended 31 March 2015, the increase was primarily due to (i) a number of new maintenance and support services agreements were awarded by existing customers from IT application and solution development and IT infrastructure solutions segments, for which the majority were awarded subsequent to the completion of IT application and solution development and IT infrastructure solution services; and (ii) an increase in premium charged for renewal of existing maintenance and support contracts for the year ended 31 March 2015.

The significant increase in the revenue derived from provision of IT application and solution development over the Group's overall revenue of approximately 11.4% for the year ended 31 March 2014 to 40.5% for the year ended 31 March 2015, which was mainly due to the significant increase in the revenue contributed by Project A under provision of IT application and solution development as well as the Group's overall revenue for the year ended 31 March 2015. The decrease in the revenue derived from provision of IT infrastructure solutions over the Group's overall revenue of approximately 56.9% for the year ended 31 March 2014 to 44.3% for the year ended 31 March 2015, which was mainly due to the significant increase in the Group's overall revenue growth outweighed the increase in the revenue derived from provision of IT infrastructure solutions for the year ended 31 March 2015. The decrease in revenue derived from provision of secondment services over the Group's overall revenue of approximately 21.4% for the year ended 31 March 2014 to 9.5% for the year ended 31 March 2015, which was the combined effect of the significant increase in the Group's overall revenue growth and the decrease in the revenue derived from provision of secondment services for the year ended 31 March 2015. The decrease in revenue derived from provision of maintenance and support services over the Group's overall revenue of approximately 10.3% for the year ended 31 March 2014 to 5.7% for the year ended 31 March 2015, which was mainly due to the significant increase in the Group's overall revenue growth outweighed the increase in the revenue derived from provision of maintenance and support services for the year ended 31 March 2015.

The gross profit of the Group increased by approximately 85% from approximately HK\$39.0 million for the year ended 31 March 2014 to approximately HK\$72.1 million for the year ended 31 March 2015, while the gross profit margin of the Group decreased by approximately 10% from approximately 21% for the year ended 31 March 2014 to approximately 19% for the year ended 31 March 2015. Such changes were primarily due to (i) the increase in gross profit generated from provision of IT infrastructure solutions by approximately 59% from approximately HK\$11.4 million for the year ended 31 March 2014 to approximately HK\$18.1 million for the year ended 31 March 2015, which was in line with the increase in revenue for this segment; and (ii) the increase in gross profit generated

from provision of IT application and solution development services by approximately 2.5 times from approximately HK\$10.5 million for the year ended 31 March 2014 to approximately HK\$36.4 million for the year ended 31 March 2015, which was resulted from the combined effect of the increase in revenue and a decrease in gross profit margin due to the adoption of a competitive pricing strategy for Project A and the low gross profit margin arising from the procurement services performed for Project A.

### *Other material fluctuations*

The Group's administrative expenses for the year ended 31 March 2016 amounted to approximately HK\$47.5 million, representing an increase by approximately HK\$10.8 million or 29% as compared to the year ended 31 March 2015 (2015: approximately HK\$36.7 million). Such increase was primarily attributable to the combined effects of: (i) the increase in administrative staff costs of approximately HK\$4.6 million due to the manpower involved in training new staff and setting up a research and development team according to the business plan of the Group; (ii) the increase in sales commission paid to sales staff of the Group by approximately HK\$1.2 million which was in line with the increase in gross profit of the Group; (iii) the increase in professional fee by approximately HK\$1.5 million in relation to corporate actions made pursuant to the requirements of the GEM Listing Rules; (iv) the increase in overall office rental expenses by approximately HK\$0.8 million in relation to an additional office premise rented due to the expansion of the Group's business; (v) the increase in depreciation charges by approximately HK\$0.9 million in relation to the depreciation charged for a newly acquired office premise and a car park in Hong Kong; and (vi) the increase in recruitment expenses paid to recruitment agents by approximately HK\$0.6 million due to the expansion of the Group's headcount following the expansion of the Group's business.

As at 31 March 2016, the shareholders' funds of the Group amounted to approximately HK\$149.1 million. Current assets amounted to approximately HK\$195.3 million, which mainly comprised of cash reserves of approximately HK\$77.6 million and trade and other receivables of approximately HK\$116.5 million. Current liabilities mainly comprised of trade and other payables of approximately HK\$87.6 million. The significant decrease in cash reserves of the Group was primarily attributable to (i) approximately HK\$45.3 million of cash outflow to settle the consideration for the purchases of an office premise and a carpark in Hong Kong; (ii) approximately HK\$25.0 million of cash outflow to finance the working capital of Project A, the Group's largest IT project in progress, as the major payment milestone of the project was not reached during the year ended 31 March 2016. The cash outflow for Project A also led to the significant increase in the amounts due from customers for contract work included in trade and other receivables. As at 31 March 2016, the liquidity ratio of the Group, determined as a ratio of current assets over current liabilities, was approximately 2.2 times (2015: approximately 2.4 times).

Please refer to the annual reports of the Company for years ended 31 March 2015 and 2016, respectively for further details of the annual results and management discussion and analysis of the Group during the Track Record Period.

## Information on Project A

### *Salient terms of the subcontractor contract with the PRC Partner*

The salient terms of the subcontractor contract between the PRC Partner and the Group in relation to Project A are as follows:

- Major scope of work:
- To design, supply and implement IT systems
  - To provide training, support and maintenance services to end-customers
- Project timeframe: Approximately 40 months from November 2014 to March 2018 in accordance with the existing resource planning for IT application and solution development services (including a warranty period of 12 months), followed by a nine years maintenance and support services from mid March 2018 to mid March 2027
- Liabilities in the event of delay:
- The government shall receive liquidated damages if there is a failure to provide all or any of the deliverables to the government by the applicable completion date.
  - The government is entitled to terminate the whole or part of the contract and may receive refund for the money paid in relation to the deliverables if there is any failure to provide all or any of the deliverables within the prescribed time frame after the applicable completion date.
- Indemnities and indemnification liabilities on the part of the Group to the PRC Partner:
- The PRC Partner shall indemnify and keep the government indemnified from and against:
- Any demands and liabilities arising from (i) a breach of any provision of the contract; (ii) any warranty which is incorrect, inaccurate, incomplete or misleading; (iii) any negligence, recklessness, or willful misconduct; or (iv) any act or omission in the discharge of the services.
  - Any demands and liabilities suffered by the government as a result of or in connection with the infringement or alleged infringement of intellectual property rights of the supplied system and supplied IT products.
- The PRC Partner may raise claim against the Group for losses suffered by the PRC Partner as a result of any liquidated damages levied on it or damages claimed against it by the government for indemnities.

- Deduction of charges and early termination:
- If at any time during the contract period, a non-compliance event including but not limited to, non-compliance with the committed serviceability level, absence of the project team member and the team member not fulfilling the qualification or experience requirements in relation to the contract occurs, the government shall be entitled to obtain refund or make deduction from the charges from time to time payable for such non-compliance event in the applicable amount specified in the contract as and for liquidated damages and not as a penalty.
  - If at any time during the contract period, any one or more of the non-compliance thresholds specified in the contract have been reached, the government shall be entitled to terminate the contract accordingly.
- Change of control:
- The PRC Partner may terminate the subcontractor contract if there is a change of control and the PRC Partner reasonably believes that such change of control may materially affect the performance by ICO HK of its obligation under the subcontractor contract. A change of control occurs if either (i) the majority of shares carrying a right to vote in ICO HK or its holding company are acquired by a person who was not a majority shareholder at the date of the subcontractor contract, or (ii) there is a change in the ownership of the legal power to direct, or determine the direction of, the general management and policies of ICO HK or its holding company.
- Limitation of liability of the PRC Partner:
- The PRC Partner shall not be responsible to the Group for any failure to perform its obligations under the subcontractor contract where there is a corresponding failure by the government to perform its obligations under the main contract between the PRC Partner and the government, provided that the PRC Partner takes all reasonable steps to pursue its rights under the main contract.
- Payment terms:
- For the third party IT products procured by the Group for the use in Project A, the PRC Partner shall pay to us following the delivery of products. The Group will generally grant a credit period to the PRC Partner for a period of 30 days.
  - For the provision of IT application and solution development services, the payment schedule is as follows:
    - (i) 5% of the subcontracting revenue upon completion of project initiation, system analysis and design, down-sized mainframe application analysis and design;

- (ii) 10% of the subcontracting revenue upon completion of system development & testing, down-sized mainframe application development and testing;
- (iii) 5% of the subcontracting revenue upon completion of user acceptance; and
- (iv) 70% of the subcontracting revenue upon completion of user training, production rollout and the system is certified to be ready for use.

The government will withhold 10% of payments until the expiry of the warranty period.

- The maintenance and support service fees will be paid in quarterly subsequent to the 12-month warranty period.

***Revenue contributed/to be contributed by Project A for the years ended 31 March 2015 and 2016 and the years ending 31 March 2017 and 2018***

The table below illustrates the breakdown of the revenue contributed/to be contributed by Project A by business segments for the years ended 31 March 2015 and 2016 and the years ending 31 March 2017 and 2018 below:

	Year ended 31 March		Year ending 31 March	
	2015	2016	2017	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(estimation)	(estimation)
IT application and solution development				
— IT application solution services	16,135	47,900	72,642	6,149
— Procurement of third party hardware and software	119,661	148,913	10,321	—
	135,796	196,813	82,963	6,149
Maintenance and support services	—	—	—	28,800
<b>Revenue contributed/to be contributed by Project A</b>	<b>135,796</b>	<b>196,813</b>	<b>82,963</b>	<b>34,949</b>



## Major projects in backlog as at 31 March 2016

### *IT application and solution development projects of which contracts had been signed but had not been completed as at 31 March 2016*

The table below sets out the total unrecognised revenue of the IT application and solution development projects on hand but not yet completed as at 31 March 2016, the amount of revenue expected to be recognised for the years ending 31 March 2017 and 2018:

<b>Total unrecognised revenue as at 31 March 2016</b>	<b>Revenue expected to be recognised for the year ending 31 March 2017</b>	<b>Revenue expected to be recognised for the year ending 31 March 2018</b>
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
111,821	102,423	9,398

### *Major IT application and solution development projects (with total contract value of over HK\$10 million) had not yet completed as at 31 March 2016*

Project	End customer's business nature	Type of work	Total contract value <i>(Note 1)</i> <i>HK\$'000</i>	Commencement date	Expected completion date <i>(Note 2)</i>	Revenue to be recognised for the year ending 31 March 2017 <i>HK\$'000</i>	Revenue to be recognised for the year ending 31 March 2018 <i>HK\$'000</i>
Project A	Government department in Hong Kong	Development of exit and entry platform	Over 900,000	November 2014	March 2027	82,963	6,149 <i>(Note 3)</i>
Project B	Retail bank	Teller platform revamp	13,000	October 2015	March 2017	8,029	Nil
Project C	Retail bank	Enterprise business process management platform development	11,158	April 2015	September 2016	2,760	Nil

#### *Notes:*

1. The total contract value as agreed in the agreement.
2. Expected completion date means the date on which the project is expected to be delivered to the customer.
3. Revenue from maintenance and support services are excluded under Project A.

## **USE OF PROCEEDS**

The net proceeds from placing, after deducting listing related expenses, were approximately HK\$75.5 million. These proceeds had been applied for the purposes in accordance with the future plans and use of proceeds as set out in the Prospectus. An analysis of the utilisation of the net proceeds from placing and the unused amount as at 31 March 2016 is set out in the annual report of the Company for the year ended 31 March 2016. The remaining net proceeds of approximately HK\$47.4 millions which had not yet been utilised is expected to be applied in accordance with the future plans and use of proceeds as set out in the Prospectus from 1 April 2016 onwards.

As at the date of this announcement, the Group does not intend to have material changes on its future plans and use of proceeds.

### **Comparison of business objectives with actual business progress**

The analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress since it listing on GEM on 18 March 2015 to 31 March 2016 is set out in the annual report of the Company for the year ended 31 March 2016.

## **RECENT DEVELOPMENT**

Since the listing of the Company on GEM on 18 March 2015, the Group has continued to develop and focus its business in Hong Kong.

References are made to the announcements of the Company dated 14 March 2016 and 20 June 2016 in relation to the memorandum of understanding entered into between Value Digital Limited (as purchaser and a wholly-owned subsidiary of the Company) and Golden Diamond Global Limited (as vendor). Up to the expiry of the memorandum of understanding on 13 June 2016, the parties have not concluded and the said memorandum of understanding has been lapsed. The Group is continuously seeking business opportunities including but not limited to the provision of online to offline e-commerce platforms business and will publish announcement(s) as and when appropriate according to the Main Board Listing Rules.

### **Large scale IT application and solution development projects awarded as at the Latest Practicable Date**

During the year ended 31 March 2016 and up to the Latest Practicable Date, the Company was awarded two large scale IT application and solution development projects with total contract sum of over HK\$50 million each and the durations of such projects are over 10 years (including maintenance and support services).

### **First quarterly results for the three months ended 30 June 2016**

On 12 August 2016, the Company announced the unaudited consolidated quarterly results and the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2016. For details, please refer to the said announcement and the first quarterly report for the three months ended 30 June 2016 published on 12 August 2016.

***IT application and solution development project on hand but not yet completed as at 31 August 2016***

As at 31 August 2016, excluding Project A, the Group has remaining contracts value of approximately HK\$53.3 million for IT application and solution development service projects. The Company estimates approximately HK\$25.3 million and HK\$27.4 million will be recognised by the Group for the years ending 31 March 2017 and 2018 respectively.

Based on the Group's latest operational performance and saved as disclosed above, the Company confirms that there are no unfavourable trends or developments which may have a material adverse impact on the Group's business and financial performance subsequent to 30 June 2016 and up to the date of this announcement. Furthermore, the Directors believe that the remaining contract sum of the Group's contracts as at the Latest Practicable Date will provide stable income source to the Group.

Looking ahead, the Group will continue to focus on traditional IT business, as well as will continue to expand the market share and strengthen the market position of its business and exploring business cooperation and opportunities from time to time. The Group believes that in an increasingly competitive business environment, establishing strategic alliances and joint ventures with business partners and investing in new opportunities will be critical to the development of the Group. Given that the Group had continued to carry out the expansion plan as disclosed in the Prospectus, including expansion of IT application and solution development business and exploring merger, acquisition or business collaboration opportunities, the Group will also explore business opportunities in providing O2O (online to offline) e-commerce platforms through mobile application systems, such as mobile payment securities systems, "cloud" applications and logistic and tracking systems.

**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for viewing on the Company's website at [www.ico.com.hk](http://www.ico.com.hk) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk):

- (a) the Memorandum and Articles of Association of the Company;
- (b) the first quarterly report of the Group for the three months ended 30 June 2016;
- (c) the Directors' report and the annual report of the Group for the year ended 31 March 2016;
- (d) the circular of the Company dated 27 June 2016 in relation to granting of general mandates to issue and repurchase Shares, re-election of Directors and adoption of the Share Option Scheme;
- (e) the circular of the Company dated 30 June 2015 in relation to general mandates to issue and repurchase Shares and re-election of Directors; and
- (f) a copy of each of the announcements and other corporate communications made by the Company as required under the GEM Listing Rules.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical information of each current Directors and senior management of the Company as at the date of this announcement is as follows:

### Executive Directors

Mr. Lee Cheong Yuen (李昌源) (“**Mr. Lee**”), aged 49, is the Chief Executive Officer and an executive Director. Mr. Lee is also a member of the nomination committee of the Company. Mr. Lee founded the Group in 1992. Mr. Lee is primarily responsible for overseeing the business development and in-house operations and devising market strategies and business expansion plans of the Group. In the past years, he led the Group to successfully complete several large-scale IT application and solution development projects for major clients in the public sector, private sector, banking and finance sector and logistics sector. Mr. Lee obtained a degree of bachelor of science in computer studies from The University of Hong Kong (“**HKU**”) in December 1989. He has over 20 years of experience in the IT industry.

Pursuant to the Director’s service contract entered into between the Company and Mr. Lee, his initial current term of office is for a period of three years commenced from 3 March 2015, unless terminated by either party giving to the other not less than three months’ prior notice in writing. Mr. Lee is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Lee was interested or deemed to be interested in 3,000,000,000 Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Pursuant to the service contract, Mr. Lee is entitled to a bonus. For the year ended 31 March 2016, a sum of HK\$1,827,000 has been paid to Mr. Lee. The above emoluments of Mr. Lee have been determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company’s remuneration committee.

Mr. Yong Man Kin (楊敏健) (“**Mr. Yong**”), aged 50, is the Chairman and an executive Director. Mr. Yong is also a member of the nomination committee of the Company. Mr. Yong founded the Group in 1992. Mr. Yong is primarily responsible for overseeing the business development, in-house operations, overall strategic planning and business expansion plans, accounts and human resources activities of the Group. Under his directorship, over the past years, he led the Group to successfully complete several large-scale IT application and solution development projects for major customers in the public sector, private sector, and regulatory sector. Mr. Yong obtained a degree of bachelor of science in computer studies from HKU in December 1989. Mr. Yong has over 20 years of experience in the IT industry.

Pursuant to the Director's service contract entered into between the Company and Mr. Yong, his initial current term of office is for a period of three years commenced from 3 March 2015, unless terminated by either party giving to the other not less than three months' prior notice in writing. Mr. Yong is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Yong was interested or deemed to be interested in 3,000,000,000 Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Pursuant to the service contract, Mr. Yong is entitled to a bonus. For the year ended 31 March 2016, a sum of HK\$1,823,000 has been paid to Mr. Yong. The above emoluments of Mr. Yong have been determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

### **Non-executive Director**

Mr. Chan Kwok Pui (陳國培) (“**Mr. Chan**”), aged 60, is a non-executive Director and is responsible for advising on business opportunities for investment, development and expansion of the Group. Mr. Chan obtained a degree of bachelor of science in computer studies from HKU in December 1989. Mr. Chan has over 20 years of experience in the IT industry. Mr. Chan was a computer officer at HKU from August 1992 to August 1995. He then joined the Group in 1995.

Pursuant to the Director's service contract entered into between the Company and Mr. Chan, his initial current term of office is for a period of three years commenced from 3 March 2015, unless terminated by either party giving to the other not less than one month's prior notice in writing. Mr. Chan is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Chan was interested or deemed to be interested in 3,000,000,000 Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Pursuant to the service contract, Mr. Chan is entitled to a bonus. For the year ended 31 March 2016, a sum of HK\$189,000 has been paid to Mr. Chan. The above emoluments of Mr. Chan have been determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

Mr. Tam Kwok Wah (譚國華) (“**Mr. Tam**”), aged 66, is a non-executive Director and is responsible for advising on business opportunities for investment, development and expansion of the Group. Mr. Tam obtained a degree of bachelor of social sciences from HKU in November 1975. He further received a master degree of science from The University of Manchester in the United Kingdom in December 1982. Mr. Tam was an assistant professor of HKU's business school, which was the last position he held at HKU from January 1985 to June 2004.

Pursuant to the Director's service contract entered into between the Company and Mr. Tam, his initial current term of office is for a period of three years commenced from 3 March 2015, unless terminated by either party giving to the other not less than one month's prior notice in writing. Mr. Tam is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Tam was interested or deemed to be interested in 3,000,000,000 Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Pursuant to the service contract, Mr. Tam is entitled to a bonus. For the year ended 31 March 2016, a sum of HK\$182,000 has been paid to Mr. Tam. The above emoluments of Mr. Tam have been determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

### **Independent non-executive Directors**

Dr. Chan Mee Yee (陳敏兒) (“**Dr. Chan**”), aged 54, is an independent non-executive Director and is responsible for providing independent judgment on the issues of strategy, performance, resources and standard of conduct of the Group. Dr. Chan is also the chairlady of the remuneration committee, and a member of nomination committee and audit committee of the Company. Dr. Chan graduated from the University of California, San Diego in the United States of America with a degree of bachelor of arts majoring in computer science in June 1980 and a degree of master of science in computer science in June 1981. She further received her degree of doctor of philosophy from HKU in November 1988. In August 2003, Dr. Chan obtained a degree of bachelor of laws through distance learning from the University of London and a postgraduate certificate in laws from HKU in June 2004. Dr. Chan has also been a chartered financial analyst of The Institute of Chartered Financial Analysts since September 1998.

Pursuant to the Director's service contract entered into between the Company and Dr. Chan, her initial current term of office is for a period of three years commenced from 3 March 2015, unless terminated by either party giving to the other not less than one month's prior notice in writing. Dr. Chan is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

As far as the Directors are aware, as at the Latest Practicable Date, Dr. Chan was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Pursuant to the service contract, Dr. Chan is entitled to a fixed director fee. For the year ended 31 March 2016, a sum of HK\$158,000 has been paid to Dr. Chan. The above emoluments of Dr. Chan have been determined with reference to her role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.



Dr. Chow Kam Pui (鄒錦沛) (“**Dr. Chow**”), aged 56, is an independent non-executive Director and is responsible for providing independent judgment on the issues of strategy, performance, resources and standard of conduct of the Group. Dr. Chow also is the chairman of the nomination committee, and a member of the audit committee and remuneration committee of the Company. Dr. Chow obtained a higher diploma in mathematics, statistics and computing from the Hong Kong Polytechnic University in November 1979 and a degree of master of arts in statistics from the University of California in the United States of America in December 1981. Dr. Chow began his academic career in HKU upon obtaining his doctoral degree in electrical engineering from the University of California, Santa Barbara in the United States of America in December 1985. He was admitted as a member of the Hong Kong Institution of Engineers in January 2006.

Pursuant to the Director’s service contract entered into between the Company and Dr. Chow, his initial current term of office is for a period of three years commenced from 3 March 2015, unless terminated by either party giving to the other not less than one month’s prior notice in writing. Dr. Chow is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

As far as the Directors are aware, as at the Latest Practicable Date, Dr. Chow was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Pursuant to the service contract, Dr. Chow is entitled to a fixed director fee. For the year ended 31 March 2016, the amount of director fee paid to Dr. Chow is in a sum of HK\$158,000. The above emoluments of Dr. Chow have been determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company’s remuneration committee.

Ms. Kam Man Yi Margaret (甘敏儀) (“**Ms. Kam**”), aged 49, is an independent non-executive Director and is responsible for providing independent judgment on the issues of strategy, performance, resources and standard of conduct of the Group. Ms. Kam is also the chairlady of audit committee and a member of remuneration committee and nomination committee of the Company. Ms. Kam obtained a degree of bachelor of commerce from the University of Melbourne in Australia in July 1990 and a master degree of business administration through distance learning from the University of Southern Queensland in Australia in May 2008. Ms. Kam was admitted as a certified practising accountant of the Australian Society of Certified Practising Accountants in September 1994. She has been a fellow member of the Hong Kong Institute of Certified Public Accountants since October 2004. Ms. Kam is a qualified accountant who possesses over 15 years’ experience in auditing and accounting, finance, treasury management and corporate compliance for various companies listed on the Stock Exchange.

Pursuant to the Director’s service contract entered into between the Company and Ms. Kam, her initial current term of office is for a period of three years commenced from 3 March 2015, unless terminated by either party giving to the other not less than one month’s prior notice in writing. Ms. Kam is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Kam was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Pursuant to the service contract, Ms. Kam is entitled to a fixed director fee. For the year ended 31 March 2016, the amount of director fee paid to Ms. Kam is in a sum of HK\$158,000. The above emoluments of Ms. Kam have been determined with reference to her role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

Save as disclosed above, none of the Directors (i) has held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) as at the date of this announcement, has any interest in the Shares which required to be disclosed under Part XV of the SFO; and (iii) has any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no information relating to the Directors that is required to be disclosed pursuant to Rules 13.51(2)(h)-(v) of the Main Board Listing Rules and the Board is not aware of any other matter that needs to be brought to the attention of the Shareholders in relation to their directorships.

## **SENIOR MANAGEMENT**

Mr. Leung Man Lun Walter (梁萬倫) (“**Mr. Leung**”), aged 54, is the managing director of ICO Technology Limited who joined the Group in 2006 and is responsible for the overall management of ICO Technology Limited including strategic planning and sales and marketing in Hong Kong and the PRC. Mr. Leung has over 30 years of experience in the IT industry including data processing, programming, customer support strategic planning, sales and marketing and management of daily operations.

Mr. Ho Chak Keung (何澤強) (“**Mr. Ho**”), aged 47, is the general manager of ICO Technology Limited who joined the Group in 2006 and is responsible for the daily operations of and supervision of the business of ICO Technology Limited, he is also responsible for sales and marketing in Hong Kong and the PRC including identifying business opportunities, generating sales leads, building relationships with the customers and building the brand awareness of the Group. Mr. Ho obtained a degree of bachelor of science in computer systems engineering from the University of Kent in the United Kingdom. He has over 20 years of IT sales and marketing experience.

## **Company Secretary and Financial Controller**

Mr. Pang Yick Him (彭翊謙) (“**Mr. Pang**”), aged 29, is the company secretary and financial controller of the Group. He joined the Group in 2015. Mr. Pang obtained a bachelor degree of business administration from the Hong Kong Baptist University and had over seven years of experience in the field of accounting and auditing. Mr. Pang is a member of the Hong Kong Institute of Certified Public Accountants and a Certified Financial Risk Manager admitted by the Global Association of Risk Professionals. He is responsible for overseeing the accounting and financial operations and company secretarial functions of the Group.

## DEFINITIONS

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

“Articles”	the articles of association of the Company
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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
“Directors”	directors of the Company
“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“ICO HK”	ICO Limited (揚科有限公司), a company incorporated in Hong Kong with limited liability on 29 October 1992 and an indirect wholly-owned subsidiary of the Company
“IT”	information technology
“Latest Practicable Date”	30 September 2016, being the latest practicable date prior to the issue of this announcement for ascertaining certain information contained in this announcement
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which continues to be operated by the Stock Exchange parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“PRC”	The People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Partner”	a state-owned joint stock company established in the PRC, the shares of which are listed on the A-share market of the Shanghai Stock Exchange
“Prospectus”	the listing document of the Company dated 10 March 2015
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 12 August 2016 with effect from 12 August 2016, as amended from time to time
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Track Record Period”	the years ended 31 March 2014, 2015 and 2016
“Transfer of Listing”	the transfer of the listing of the Shares from GEM to the Main Board

By order of the Board  
**ICO Group Limited**  
**Yong Man Kin**  
*Chairman and Executive Director*

Hong Kong, 3 October 2016

*This announcement, 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 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.*

*As at the date of this announcement, the executive 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.*

*This announcement will remain on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) on the “Latest Company Announcements” page for at least seven days from the date of its posting. This announcement will also be published on the Company’s website at [www.ico.com.hk](http://www.ico.com.hk).*