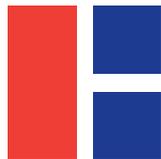


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ICO GROUP LIMITED

揚科集團有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock Code:1460)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

This announcement is made by ICO Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Future Ordinance, Chapter 571 of the Laws of Hong Kong and Rule 13.09 of the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that after trading hours on 11 July 2017, Value Digital Limited, an indirect wholly-owned subsidiary of the Company (the “**Purchaser**”) has entered into a memorandum of understanding (the “**MOU**”) with Mr. Cheung, Yiu Cho, Mr. Lau, Yiu Ting and Mr. Wong, Sze Chung Armstrong (collectively referred to as the “**Vendors**”), pursuant to which and for the Group’s expansion in the business of providing data centre solutions, the Company intends to acquire the entire issued share capital of Absolute Robust Limited (the “**Target Company**”) from the Vendors (the “**Intended Acquisition**”), which holds 15% of the entire issued share capital of INAX Technology Limited (“**INAX**”), a limited company incorporated in Hong Kong.

Exclusivity

The Vendors agree that, they and each of them shall not, directly or indirectly, enter or agree to enter into any discussions, negotiations, letter of intent, memorandum of understanding or agreements with any person (other than the Purchaser) for the Intended Acquisition or any other transaction or cooperation of a similar nature commencing from the date of the MOU for a period of three (3) months (or such later date mutually agreed by the parties) (the “**Exclusivity Period**”).

* *For identification purpose only*

Termination of the MOU

The MOU shall be automatically terminated on the earlier of: (a) the date upon which a formal agreement in respect of the Intended Acquisition (the “**Formal Agreement**”) shall have been entered into and executed by the parties; or (b) the close of business of expiration of the Exclusivity Period.

Binding Effect

The MOU does not create legally binding commitment, obligation or agreement between the parties in relation to the Intended Acquisition but is legally binding as to such terms relating to, among others, the Exclusivity Period and confidentiality.

INFORMATION ON INAX

INAX is a company incorporated in Hong Kong principally engaged in IT infrastructure business with a focus on the business of providing data centre solutions.

REASONS AND BENEFITS FOR THE INTENDED ACQUISITION

As at the date of this announcement, the Group is principally engaged in the businesses of IT application and solution development, IT infrastructure solutions, secondment services and maintenance and support services. The Group has been actively searching for new business opportunities so as to diversify the Group’s business with growth potential and to broaden its source of income that can possibly generate return to its shareholders.

The Company considers that the business of providing data centre solutions is a booming business sector. The Directors believe that the expansion of the Group’s business into the sector of providing data centre solutions will enhance its competitive edge and is beneficial for the long term development of the Group.

Accordingly, the Board is optimistic about the Intended Acquisition and is of the view that the Intended Acquisition will bring significant strategic benefits to the Group.

GENERAL

The Company will keep its shareholders and potential investors informed of any material development in connection with the Intended Acquisition by way of further announcement(s) as and when appropriate and in compliance with the requirements of the Listing Rules.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, the Target Company, the Vendors, INAX and their respective ultimate shareholders are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

Shareholders and investors should note that the Intended Acquisition is subject to the entering into of a formal or definitive agreement and fulfillment of the condition precedent thereunder. There is no assurance that any transaction or discussion mentioned in this announcement will materialise or eventually be consummated. Shareholders and potential investors are urged to exercise extreme caution when dealing in the shares of the Company.

By order of the Board

ICO Group Limited

Lee Cheong Yuen

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 11 July 2017

As at the date of this announcement, the executive Directors are Mr. Lee Cheong Yuen and Mr. Pang Yick Him; 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. Cheung Siu Nang Bruce and Ms. Kam Man Yi Margaret.