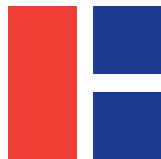


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ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1460)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO A POSSIBLE ACQUISITION**

THE MOU

On 7 September 2017 (after trading hours), the Purchaser and the Vendor entered into the MOU in relation to the Possible Acquisition.

The MOU is non-legally binding save for the provisions relating to, among other things, the refund of the Earnest Money, the Exclusivity Period, confidentiality and the governing law of the MOU.

GENERAL

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and Rule 13.09 of the Listing Rules. The Company will make further announcement once the Formal Agreement is executed.

The Possible Acquisition, if it materializes, may constitute a notifiable transaction for the Company under the Listing Rules. Should the Purchaser enter into the Formal Agreement or decide to terminate the MOU or if there are any material developments with respect to the Possible Acquisition, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

WARNING NOTICE

The Possible Acquisition is subject to, among others, further negotiation concerning the entering into of the Formal Agreement. At present stage, the terms and conditions of the Formal Agreement are yet to be finalized and agreed between the Purchaser and the Vendor. As such, the Possible Acquisition may or may not proceed. Further announcement(s) in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been entered into.

* For identification purpose only

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and Rule 13.09 of the Listing Rules.

THE POSSIBLE ACQUISITION

The Board is pleased to announce that the Purchaser, an indirect wholly-owned subsidiary of the Company entered into a non-legally binding MOU with the Vendor in relation to the Possible Acquisition.

The Possible Acquisition is subject to further negotiation and the entering into of the Formal Agreement.

THE MOU

The terms of the MOU are as follows:

Date: 7 September 2017 (after trading hours)

Parties: (i) the Purchaser, an indirect wholly-owned subsidiary of the Company; and
(ii) the Vendor

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners, save and except for Mr. Lau, are Independent Third Parties.

To the best of the knowledge, information and belief of the Directors, as at the date of the MOU, Mr. Lau, being a 31% shareholder and a director of the Vendor, is also the holder of 259,804,000 Shares, representing approximately 6.5% of the issued share capital of the Company. As at the date of the MOU, Mr. Lau and his associates are not Connected Person of the Company. The Company will make further announcement(s) in accordance with the Listing Rules if there are material developments with respect to the Possible Acquisition.

Assets to be transferred

Under the MOU, the Purchaser intends to acquire and the Vendor intends to sell the Sale Shares subject to further negotiation and entering into of the Formal Agreement. The Sale Shares represents the entire issued share capital of the Target Company.

Consideration

The consideration is to be based on the valuation price of the valuation report regarding the CKB Project (as defined below) to be issued by an independent valuer engaged by the Company. The consideration for the Possible Acquisition and the manner of payment shall be further negotiated between the Vendor and the Purchaser and be determined in the Formal Agreement.

Earnest Money

The Earnest Money of HK\$2,700,000 will be paid by the Purchaser to the Vendor within three (3) days after the signing of the MOU.

The Earnest Money shall be treated as deposit upon signing of the Formal Agreement, which will be used to settle part of the consideration of the Possible Acquisition upon completion.

In the event that the Formal Agreement is not entered into between the Vendor and the Purchaser, the Earnest Money shall be refunded to the Purchaser by the Vendor without interest within seven (7) days from the date of receipt by the Vendor of the written notice issued by the Purchaser in respect of the refund of the Earnest Money.

Due Diligence

Pursuant to the MOU, the Purchaser is entitled to perform due diligence review (“**Due Diligence Review**”), which include the assets, liabilities, contracts, commitments, undertaking, legal titles, business, financial, legal and taxation aspects of the Target Group, the Land and the CKB Project (as defined below). Each party shall bear its own costs and expenses in relation to the Due Diligence Review.

Exclusivity

The Vendor agreed with the Purchaser that within a period of one (1) month from the date of the MOU, the Vendor shall not, solicit, initiate or encourage submission of further proposals or offers from any person, either directly or indirectly, for the purchase of the shares in the Target Company, the Target Group and the Land. The parties to the MOU may mutually agree in writing to extend the Exclusivity Period.

Non-legally Binding Nature

The MOU is non-legally binding save for the provisions relating to, among other things, the Earnest Money, Exclusivity Period, the confidentiality and the governing law of the MOU. The MOU does not constitute the Vendor and the Purchaser’s legally binding obligation in relation to the Possible Acquisition. If the Possible Acquisition proceeds, the parties to the MOU will enter into the Formal Agreement in which relevant terms and conditions will be further discussed and finalized. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in BVI and, upon completion of the proposed restructuring, will be the indirect owner of the Land and will undergo a building construction project on the Land as well as to develop an online-to-offline wholesale marketplace project (“**CKB Project**”).

REASONS FOR THE POSSIBLE 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.

In order to maximise return to the Company and the Shareholders in the long run, the Directors consider that it is in the interest of the Company to enter into the MOU to explore the possibility of diversification of the business of the Group. The Possible Acquisition, should it be materialized, would be an opportunity for the Group to, with the assistance of the IT background of the Group's business, develop an online-to-offline e-commerce market in Malaysia..

WARNING NOTICE

The Possible Acquisition is subject to, among others, further negotiation concerning the entering into of the Formal Agreement. At present stage, the terms and conditions of the Formal Agreement are yet to be finalized and agreed between the Purchaser and the Vendor. As such, the Possible Acquisition may or may not proceed. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company as and when appropriate in compliance with the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	ICO Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code:1460)
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Earnest Money”	a refundable earnest money in the sum of HK\$2,700,000 payable by the Purchaser to the Vendor pursuant to the MOU
“Exclusivity Period”	during the one (1) month period commencing on the date of the MOU

“Formal Agreement”	the formal agreement to be entered into between the Purchaser and the Vendor in relation to the Possible Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administration Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its Connected Person
“Land”	Four pieces of freehold vacant lands held under four respective individual titles, all in Bandar Kuala Lumpur, District Kuala Lumpur, State Wilayah Persekutuan Kuala Lumpur, with a site area of approximately 744 square metres located in the Chow Kit District of Kuala Lumpur, Malaysia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 7 September 2017 entered into between the Purchaser and the Vendor in relation to the Possible Acquisition
“Mr. Lau”	Lau Chuen Yien Calvin, one of the ultimate beneficial owners and director of the Vendor
“PRC”	The People’s Republic of China
“Purchaser”	ICO IT Properties (Malaysia) Limited, a company incorporated in the BVI, an indirect wholly-owned subsidiary of the Company
“Possible Acquisition”	the possible acquisition of the Sale Shares by the Purchaser from the Vendor as contemplated under the MOU
“Sale Shares”	the shares representing the entire issued share capital of the Target Company
“Shares”	shares of the Company
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	O2O Limited, a company incorporated in BVI with limited liability

“Target Group”	the Target Company and its subsidiaries, including, after the proposed restructuring pursuant to the MOU, Nexus Primo Sdn Bhd, a company incorporated in Malaysia
“Vendor”	Rainbow Field Investment Limited, a company incorporated in BVI with limited liability

By Order of the Board
ICO Group Limited
Lee Cheong Yuen
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 7 September 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.