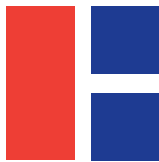


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ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1460)

MAJOR ACQUISITION AND RESUMPTION OF TRADING

THE ACQUISITION

The Board is pleased to announce that on 6 December 2017 (after trading hours), the Purchaser (being a wholly-owned subsidiary of the Company), the Vendor and the Guarantors entered into the Acquisition Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Sale Shares and the Sale Loan at the Consideration of RM145 million (subject to downward adjustment), which shall be satisfied by cash, the Convertible Bonds and Promissory Notes.

The Sale Shares represent the entire issued share capital of the Target, which, through Nexus Primo, its wholly-owned subsidiary, to carry out the O2O Project and the Building Project in Malaysia. Upon Completion, the Target Group will become the indirect wholly-owned subsidiaries of the Company and their financial statements will be consolidated into the accounts of the Company.

As confirmed by the Vendor, the Sale Loan was amounted to US\$3,525,027 (equivalent to HK\$27,495,211) as at the date of the Acquisition Agreement.

IMPLICATION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios of the Acquisition is more than 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the requirements of reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will seek the Independent Shareholders' approval at the EGM for the Acquisition Agreement (including the grant of the Specific Mandate and for the issue of the Conversion Shares) and the transactions contemplated thereunder.

* For identification purpose only

To the best of the knowledge, information and belief of the Directors, as at the date of the Acquisition Agreement, the Vendor and its ultimate beneficial owners, save and except for Mr. Lau, are Independent Third Parties. As at the date of the Acquisition Agreement, 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 Acquisition Agreement, Mr. Lau and his associates are not connected persons of the Company pursuant to the Listing Rules and accordingly, the Acquisition Agreement and the transactions contemplated thereunder is not subject to Chapter 14A of the Listing Rules. However, there may be an issue of Conversion Shares to Mr. Lau upon Completion of the Acquisition Agreement, accordingly, Mr. Lau and his associates may become the substantial shareholders of the Company. Mr. Lau and his associates are required to abstain from voting in favour of the Acquisition at the EGM.

GENERAL

The EGM will be convened to consider and, if thought fit, approve, among other things, the Acquisition Agreement (including the grant of the Specific Mandate for issue of the Conversion Shares) and the transactions contemplated thereunder.

A Circular containing details regarding, among others, (i) further details of the Acquisition Agreement; (ii) the Specific Mandate; (iii) the Valuation Report; (iv) an accountant's report on the Target Group; (v) a pro-forma financial information on the Enlarged Group; and (vi) notice of the EGM, is expected to be despatched to the Shareholders on or before 6 February 2018 to allow sufficient time to prepare the relevant information to be included in the Circular.

RESUMPTION OF TRADING

At the request of the Company, trading in its Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 7 December 2017 pending the release of this announcement. Application has been made by the Company for the resumption of trading in its Shares with effect from 9:00 a.m. on 8 December 2017.

Shareholders and potential investors of the Company should be aware that the Acquisition is subject to a number of conditions being satisfied, and may or may not proceed. accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

Reference is made to the announcements of the Company dated 7 September 2017 and 6 October 2017 in relation to the MOU. As at the date of this announcement, an aggregate amount of RM4.5 million (equivalent to approximately HK\$8.7 million) has been paid by the Purchaser to the Vendor as Deposit. Such Deposit shall be applied to satisfy part of the Consideration.

THE ACQUISITION

The Board is pleased to announce that on 6 December 2017 (after trading hours), the Purchaser, the wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor and the Guarantors (as the Vendor's guarantors) regarding the Acquisition. Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Sale Shares and the Sale Loan at the Consideration of RM145 million, and the Guarantors have agreed, inter alia, to guarantee the performance of the obligations of the Vendor under the Acquisition Agreement.

THE ACQUISITION AGREEMENT

Date:

6 December 2017 (after trading hours)

Parties involved:

Purchaser: the Purchaser, the wholly-owned subsidiary of the Company

Vendor: the Vendor

Guarantors: Mr. Teoh Teng Guan
Mr. Tan Yun Harn
Mr. Lau

The Vendor, being the sole shareholder of the Target, is an investment holding company incorporated in the BVI with limited liability. As at the date of this announcement, the Vendor is legally and beneficially owned by the Guarantors as to 40% by Teoh Teng Guan, 29% by Tan Yun Harn and 31% by Mr. Lau.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save and except for Mr. Lau, each of the Vendor and the Guarantors and their respective associates are (i) Independent Third Parties; and (ii) not a party acting in concert (as defined under the Takeovers Code) with any substantial shareholders of the Company.

In addition, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save and except for Mr. Lau, (i) each of the Vendor and the Guarantors and their respective associates did not hold any Shares or other convertible securities in the Company as at the date of the Acquisition Agreement; and (ii) there are no previous transactions or business relationship between the Company and each of the Vendor and the Guarantors and their respective associates which would result in aggregation under Rule 14.22 of the Listing Rules.

As at the date of this announcement, 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 Acquisition Agreement, Mr. Lau and his associates are not connected persons of the Company pursuant to the Listing Rules and accordingly, the Acquisition Agreement and the transactions contemplated thereunder is not subject to Chapter 14A of the Listing Rules. However, upon Completion of the Acquisition, there may be an issue of Convertible Bonds convertible into Shares held by Mr. Lau, accordingly, Mr. Lau and his associates may become the substantial shareholders of the Company.

The Guarantors, each as the primary obligor (but not merely as a guarantor), as continuing security, unconditionally and irrevocably guarantees to the Purchaser that the Vendor shall duly and punctually perform and observe its obligations under the Acquisition Agreement and pay all the money payable by the Vendor pursuant to the Acquisition Agreement. Each of the Guarantors also undertakes to the Purchaser that each of the Guarantors shall procure the Vendor to observe its obligations (whether expressed or implied) under the Acquisition Agreement, including but not limited to the guarantee given by the Vendor.

Assets to be acquired:

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire and the Vendor have conditionally agreed to dispose of the Sale Shares, being the entire issued share capital of the Target, and the Sale Loan at the Consideration. The Target directly holds the entire issued share capital of Nexus Primo. Upon Completion, the Target and Nexus Primo will become the indirect wholly-owned subsidiaries of the Company and their financial results will be consolidated into the financial results of the Group.

As confirmed by the Vendor, Nexus Primo is the legal and beneficial owner of four (4) parcels of freehold vacant Lands, and is planning to build one commercial block of 8 floors with 1 level of M&E basement on the Lands and implement the O2O Project on it thereafter. Detailed information of the Target Group is included under the section headed “Information on the Target Group” below.

As further confirmed by the Vendor, the Sale Loan was amounted to US\$3,525,027 (equivalent to HK\$27,495,211) as at the date of the Acquisition Agreement.

The Consideration:

The Consideration for the Acquisition before Adjustment (as defined below) is RM145 million which shall be settled in the following manner:

- (i) RM4.5 million settled by cash as refundable Deposit paid to the Vendor on the date of the signing of the Acquisition Agreement, the Deposit shall include the Earnest Money already paid by the Purchaser to the Vendor pursuant to and under the MOU;
- (ii) RM40.5 million in Hong Kong Dollars (with reference to the Base Exchange Rate (as defined below)) will be settled by way of issue of the Promissory Notes to the Vendor (or its nominee(s)) pursuant to the Payment Schedule; and

(iii) RM100 million in Hong Kong Dollars (with reference to the Base Exchange Rate (as defined below)) by way of issue of the Convertible Bonds to the Vendor (or its nominees) pursuant to the Payment Schedule which subject to the restrictions contained therein are convertible into Conversion Shares at the Conversion Price of HK\$0.1323 per Conversion Share pursuant to the Payment Schedule.

The Deposit have been paid by the Purchaser by the portion of net proceeds from placing on 18 March 2015 which was allocated to be used for strategic growth through merger, acquisition or business collaboration.

Payment Schedule

Pursuant to the Acquisition Agreement, the Consideration is payable in accordance with the Payment Schedule as follows:

<i>Payment Date</i>	<i>Amount (RM)</i>	<i>Means of Payment</i>	<i>Payment Conditions</i>	<i>Timeline to fulfill the Payment Conditions</i>
1. Upon signing of the Acquisition Agreement	4,500,000	Cash (the Earnest Money shall form part of the Deposit upon signing of the Acquisition Agreement)	A. Deposit is refundable if Conditions Precedent I (as defined below) is not satisfied by Long Stop Date I	
2. 5 Business Days after satisfaction (or waiver) of Condition Precedent I or Long Stop Date I	24,500,000	Convertible Bonds with the principal amount in Hong Kong Dollars equivalent to RM24,500,000	B. Satisfaction (or waiver) of Conditions Precedent I on Long Stop Date I and the Acquisition Agreement becomes unconditional	within six (6) months after the signing of the Acquisition Agreement
3. 5 Business Days after the payment conditions (C) has been fulfilled	5,850,000	Convertible Bonds with the principal amount in Hong Kong Dollars equivalent to RM5,850,000	C. Upon the issuance of a certificate by the Architect certifying that the Building Project has reached the completion of earthworks and piling and foundation works in the Lands	(i) on or before 30/03/2018 or (ii) satisfaction (or waiver) of Conditions Precedent I on Long Stop Date I; whichever is later

	<i>Payment Date</i>	<i>Amount (RM)</i>	<i>Means of Payment</i>	<i>Payment Conditions</i>	<i>Timeline to fulfill the Payment Conditions</i>
4.	5 Business Days after the payment conditions (D) has been fulfilled	4,290,000	Convertible Bonds with the principal amount in Hong Kong Dollars equivalent to RM4,290,000	D. Upon the issuance of a certificate by the Architect certifying that the Building Project has reached completion of reinforced concrete frameworks to ground floor	(i) on or before 30/05/2018 or (ii) satisfaction (or waiver) of Conditions Precedent I on Long Stop Date I; whichever is later
5.	5 Business Days after the payment conditions (E) has been fulfilled	4,290,000	Convertible Bonds with the principal amount in Hong Kong Dollars equivalent to RM4,290,000	E. Upon the issuance of a certificate by the Architect certifying that the Building Project has reached (i) completion of reinforced concrete frameworks to 1st floor and 2nd floor; (ii) completion of architectural works to basement floor and ground floor; and (iii) completion of M& E works and ID fittings to basement floor	On or before 15/09/2018
6.	5 Business Days after the payment conditions (F) has been fulfilled	4,290,000	Convertible Bonds with the principal amount in Hong Kong Dollars equivalent to RM4,290,000	F. Upon the issuance of a certificate by the Architect certifying that the Building Project has reached (i) the completion of reinforced concrete frameworks to 3rd floor and 4th floor; (ii) completion of architectural works to 1st floor; (iii) completion of M&E works and ID fittings to ground floor and Mezzanine floor; and (iv) completion of escalator installation work to ground floor and mezzanine floor	On or before 30/12/2018

	<i>Payment Date</i>	<i>Amount (RM)</i>	<i>Means of Payment</i>	<i>Payment Conditions</i>	<i>Timeline to fulfill the Payment Conditions</i>
7.	5 Business Days after the payment conditions (G) has been fulfilled	4,290,000	Convertible Bonds with the principal amount in Hong Kong Dollars equivalent to RM4,290,000	G. Upon the issuance of a certificate by the Architect certifying that the Building Project has reached (i) the completion of reinforced concrete frameworks to 5th floor and 6th floor; (ii) completion of architectural works to 2nd floor and 3rd floor; (iii) completion of M&E works and ID fittings to 1st floor and 2nd floor; and (iv) completion of escalator installation work to 1st floor and 2nd floor	On or before 15/04/2019
8.	5 Business Days after the payment conditions (H) has been fulfilled	10,140,000	Convertible Bonds with the principal amount in Hong Kong Dollars equivalent to RM10,140,000	H. Upon the issuance of a certificate by the Architect certifying that the Building Project has reached (i) the completion of external infrastructure work including roads, drainage and sewerage work; (ii) completion of lift installation work; (iii) completion of external facade	On or before 15/08/2019
9.	5 Business Days after the payment conditions (I) has been fulfilled	52,700,000	(a) Convertible Bonds with the principal amount in Hong Kong Dollars equivalent to RM42,350,000; and (b) Promissory Notes with the principal amount in Hong Kong Dollars equivalent to RM10,350,000	I. Upon the issuance of CCC.	On or before 26/11/2019

	<i>Payment Date</i>	<i>Amount (RM)</i>	<i>Means of Payment</i>	<i>Payment Conditions</i>	<i>Timeline to fulfill the Payment Conditions</i>
10.	5 Business Days after the payment conditions (J) has been fulfilled	20,000,000	Promissory Note with the principal amount in Hong Kong Dollars equivalent to RM20,000,000	J. Completion of Chow Kit Boy to the satisfactory of the Purchaser	On or before 31/01/2020
11.	18 months after Completion Date	10,150,000	Promissory Note with the principal amount in Hong Kong Dollars equivalent to RM10,150,000	K. Upon the issuance of a certificate by the auditors of Nexus Primo that the Performance Guarantee has been reached	
Total		<u>145,000,000</u>			

The Consideration shall be payable by the Purchaser to the Vendor by instalment as per the prescribed time mentioned in the Payment Schedule. In the event the Purchaser is unable to pay the Consideration within the prescribed time in the Payment Schedule, the Vendor agrees to grant to the Purchaser a grace period of thirty (30) days from the each payment date agreed in the Acquisition Agreement. If the Purchaser is still unable to pay the particular payment after the grace period, the Vendor agrees to grant a further grace period of thirty (30) days to the Purchaser to settle the particular payment and the Purchaser shall pay interest on the outstanding amount calculated at the rate of eight per cent (8%) per annum on a daily basis from the first day of the expiry of further grace period to the date of actual payment (“**Late Payment Interest**”).

Exchange Rate Calculation

The payment of Promissory Notes and Convertible Bonds shall be in Hong Kong Dollars calculated by reference to the exchange rate calculation method set out below:

- (a) the base exchange rate between Malaysian Ringgit and Hong Kong Dollar shall be RM1 to HK\$1.92425 (the “**Base Exchange Rate**”) being the mean value of their exchange rates for selling and buying telegraphic transfer quoted by the Hong Kong Association of Banks at the close of business in Hong Kong (5:00 p.m. Hong Kong time) on the Business Day preceding the date of the Acquisition Agreement; and

- (b) payments of any Consideration shall be based on the mean value of exchange rates for selling and buying telegraphic transfer between Malaysian Ringgit and Hong Kong Dollar quoted by the Hong Kong Association of Banks at the close of business in Hong Kong (5:00 p.m. Hong Kong time) on the Business Day preceding the date of such payments subject to an allowable upward and downward fluctuation of 5% from the Base Exchange Rate.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms after taking into account, without limitation, the following factors:

- (i) the preliminary valuation of the Building Project of approximately RM152 million as at 30 November 2017;
- (ii) the business development and future prospects of the Target Group and the potential growth and prospects of the online business industry in Malaysia; and
- (iii) the synergies to be realized to the Group as a result of the Acquisition.

An independent professional valuer was engaged to conduct the valuation of the Building Project on completion basis as at 30 November 2017. The preliminary valuation of the Building Project was prepared based on the market approach on the direct comparison method. The preliminary valuation of the Building Project included the property units on the Lands.

Having considered that (i) the Acquisition will provide an opportunity for the Group to gain access to the online business industry in Malaysia with an aim of broadening the income base of the Group, and thereby enhancing the Group's future financial performance and profitability; (ii) the latest market statistics and prospects of the online business industry; (iii) the Consideration represents a substantial discount to the preliminary valuation of the Building Project; and (iv) payment of a significant portion of the Consideration will be deferred and satisfied by the issuance of the 3-Year Promissory Notes and the Convertible Bonds and the allotment and issuance of the Conversion Shares, the Board considers that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Performance Guarantee and Adjustment to the Consideration (“Adjustment”)

The Consideration is subject to the downward adjustment if (i) the Performance Guarantee (as defined below) has not been fulfilled by the Vendor; and/or (ii) Chow Kit Boy has not been completed within the prescribed time in the Acquisition Agreement.

(a) Performance Guarantee

Pursuant to the Acquisition Agreement, the Vendor guarantees to the Purchaser that for a period of eighteen (18) months from the Completion Date, the total gross rental net of taxes of Malaysia (including Goods and Services Tax) (“**Gross Rental**”) received in full by Nexus Primo generated by the leases entered into for Chow Kit Baru shall reach the sum of not less than RM10.15 million per annum (“**Performance Guarantee**”). The Gross Rental shall be determined and certified by the auditors of Nexus Primo, whose determination shall be final and conclusive.

In the event the Vendor fails to achieve the Performance Guarantee, the Purchaser shall be entitled to deduct a sum of RM10.15 million from the Consideration.

(b) Completion of Chow Kit Boy

In the event the establishment of Chow Kit Boy cannot be completed within the prescribed time in the Acquisition Agreement, the Purchaser is entitled to deduct a sum of the RM20 million from the Consideration and after the deduction of the said RM20 million from the Consideration, the Vendor shall be released from its obligation and liability to set up Chow Kit Boy.

Conditions precedent

The Acquisition Agreement shall be unconditional upon the following conditions (“**Conditions Precedent I**”) being fulfilled and satisfied on or before the Long Stop Date I:

- (a) the passing of the necessary resolution(s) by the directors of the Purchaser approving the transactions contemplated in or incidental to the Acquisition Agreement;
- (b) the Purchaser being satisfied with the results of the due diligence review;

- (c) the delivery of a first legal opinion (in form and substance satisfactory to the Purchaser) from the Purchaser's Malaysia legal advisers in relation to the Acquisition Agreement and the transactions contemplated thereunder, including:
 - (i) the due incorporation, shareholding structure, valid and continued existence of Nexus Primo under the Malaysian laws;
 - (ii) the title and the rights, interests and encumbrances under the Lands; and
 - (iii) such other aspect of laws of Malaysia as the Purchaser may consider appropriate or relevant to the transactions contemplated by the Acquisition Agreement.
- (d) the delivery of a BVI legal opinion (in form and substance satisfactory to the Purchaser) from a firm of BVI legal advisers appointed by the Purchaser in respect of (i) the due incorporation of the Vendor under the BVI laws and that the Vendor have obtained all necessary approvals and consent for the purpose of entering into the Acquisition Agreement and that their obligations hereunder constitute legal and valid obligations and enforceable against them; (ii) the due incorporation of the Target; and (iii) the legality, validity and enforceability of the Sale Shares Share Charge;
- (e) the Purchaser having obtained a Valuation Report (in form and substance satisfactory to the Purchaser), that indicates that the value of the Building Project is not less than RM145 million;
- (f) the Board having approved and authorised the Acquisition, the issuance of the Promissory Notes and the Convertible Bonds, to convene the EGM to seek the approval from the Independent Shareholders on the Acquisition, the issuance of the Promissory Notes, the granting of the Specific Mandate, the issuance of the Convertible Bonds and the allotment and issuance of the Conversion Shares;
- (g) the passing of the necessary resolution(s) by the Independent Shareholders of the Company at the EGM approving, inter alia, the Acquisition, the issuance of the Promissory Notes, the granting of the Specific Mandate, the issuance of the Convertible Bonds and allotment and issuance of the Conversion Shares;
- (h) Nexus Primo having satisfied or fulfilled all the conditions contained in the Building Plans Approval to the satisfaction of the Purchaser;
- (i) The approval of the Application for Surrender and Re-Alienation on terms acceptable to the Purchaser and the endorsement by the Land Office of Malaysia of the category of land use and the express condition of the Lands as "building" and "commercial" respectively on each of the documents of title to the Lands;
- (j) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange;

- (k) no “reverse takeover” (as defined under the Listing Rules) having been triggered or ruled by the Listing Division of the Stock Exchange in relation to the transaction contemplated under the Acquisition Agreement; and
- (l) no takeover or change of control implication or obligation having been triggered under the Takeovers Code.

Upon the fulfillment of Condition Precedent I, the Acquisition Agreement shall become unconditional and binding to the Purchaser and the Vendor.

The Purchaser may in its absolute discretion at any time waive the Conditions Precedent I (b), (c), (d) and (i) set out above by written notice to the Vendor and the Purchaser shall be entitled to require such condition(s) to be fulfilled or satisfied as part of Conditions Precedent II on or before the Long Stop Date II.

If any of the Conditions Precedent I are not fulfilled or waived on or before the Long Stop Date I (or such later date as may be agreed by the Purchaser and the Vendor in writing), all rights, obligations and liabilities of the parties shall cease and determine and none of the parties shall have any claim against the other and the parties shall be released from all obligation hereunder save and except any antecedent breach, in which case the Deposit shall be fully refunded by the Vendor to the Purchaser within fourteen (14) Business Days without interest.

Completion is subject to the fulfilment of the following conditions (“**Conditions Precedent II**”) (or, where applicable, waived) on or before the Long Stop Date II to the satisfaction of the Purchaser:

- (a) diligent and punctual implementation of the O2O Project by the Target Group save and except for the completion of Chow Kit Boy;
- (b) full and punctual implementation and completion of the Building Project by Nexus Primo in accordance with the Building Plans and the issuance of the CCC;
- (c) the Vendor’s undertakings in the Acquisition Agreement having been fully performed;
- (d) the Vendor’s warranties in the Acquisition Agreement remaining true and accurate, and not misleading, in all material respects as at Completion;
- (e) all necessary third party, governmental and regulatory approvals or consents (or waivers), including those from the Stock Exchange, the SFC, and/or any other governmental authority, required by the Guarantors, the Vendor, the Purchaser, the Company and the Target Group or any of them for the consummation of the transactions contemplated herein having been obtained;
- (f) all certificates, licences, permits, authorities, consent and/or approvals held or required by the Target Group to carry out its business or enjoy and occupy its assets remain valid and effective without any threat of any suspension or revocation thereof;

- (g) there being no claim, litigation, arbitration, prosecution or other legal proceedings by any third party or governmental authority and there being no investigation, enquiry or in any proceedings or hearing before any governmental authority against the Guarantors, the Vendor, the Target Group and its business, Nexus Primo or the Lands whether actual or pending, in connection with the transactions contemplated herein;
- (h) there being no Material Adverse Change (or Effect) and the Purchaser having obtained from the Vendor a written confirmation that from the date of signing of the Acquisition Agreement, there has not been any abnormal operations nor any Material Adverse Change (or Effect) in the Business, the Target Group, the Lands and/or the O2O Project up to the Completion Date; and
- (i) the Purchaser having obtained from the Guarantors a written confirmation that there is no outstanding loan and liability due from the Target Group to the Guarantors, any of its directors or other third party(ies) as at the Completion Date, save and except for the Sale Loan;
- (j) the Purchaser having obtained from the Purchaser's Malaysia legal advisors a final legal opinion (in form and substance satisfactory to the Purchaser) advising on:
 - (i) the due incorporation, shareholding structure, valid and continued existence of Nexus Primo under the Malaysian laws;
 - (ii) the title details and the rights, interests and encumbrances under the Lands; and
 - (iii) such other aspect of laws of Malaysia as Purchaser may consider appropriate or relevant to the transactions contemplated by the Acquisition Agreement.
- (k) the consideration for the acquisition of the entire issued share capital in Nexus Primo pursuant to the share sale agreement made between the former shareholders of Nexus Primo and the Target dated 23 October 2017 (as supplemented by the supplemental agreement dated 30 November 2017) be fully settled by the Target; and
- (l) The approval of the Application for Surrender and Re-Alienation on terms acceptable to the Purchaser and the endorsement by the Land Office of Malaysia of the category of land use and the express condition of the Lands as "building" and "commercial" respectively on each of the documents of title to the Lands.

The Purchaser may at its absolute discretion at any time waive in writing any of the conditions (d), (h) and (j) (to the extent it is capable of waiving) by written notice to the Vendor. In the event that all the Conditions Precedent II are not fulfilled and remain unfulfilled on or before the Long Stop Date II (or such later date as may be agreed by the Purchaser and the Vendor in writing), the party not in default may elect to terminate the Acquisition Agreement.

Completion

Completion shall take place on the seventh (7th) Business Day following the day when all the Conditions Precedent II have been fulfilled (or waived to the extent it is capable for waiving) or such other date as the parties to the Acquisition Agreement may agree in writing.

Upon Completion, the Target Group will become an indirect wholly-owned subsidiaries of the Group and the financial results of the Target Group will be consolidated into the accounts of the Group.

In the event the Completion cannot be taken place, the party not in default may:–

- (a) defer the Completion to a date not more than thirty (30) Business Days after the Completion Date; or
- (b) proceed to Completion so far as practicable and in any case without prejudice to its rights under the Acquisition Agreement; or
- (c) rescind the Acquisition Agreement without prejudice to any of its other rights in respect of the default.

There is no provision in the Acquisition Agreement which grants any right to the Vendor to nominate its nominee to be appointed as Director.

The Directors confirmed that the Company does not intend to appoint the ultimate beneficial owners of the Vendor and/or their respective associates as Director(s) after the Acquisition.

Given the terms of the Acquisition Agreement were negotiated on an arm's length basis, the Board considers that the terms of the Acquisition Agreement are fair and reasonable, are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Termination of Acquisition

The Acquisition Agreement may be terminated at any time prior to the Completion Date:

- (a) by the mutual written consent of the Vendor on the one hand and the Purchaser on the other hand;
- (b) by the party that is not default in the event that all the Conditions Precedent II are not fulfilled on or before the Long Stop Date II or Completion cannot be take place.
- (c) by the Purchaser, if
 - (i) the Vendor breaches or fails to perform in any respect of its obligations under the Acquisition Agreement and such breach or failure to perform cannot be or has not been cured within fourteen (14) Business Days following written notice of such breach or failure to perform in writing is served by the Purchaser; or
 - (ii) the Purchaser shall become aware of any matter or event showing that any of the Vendor's warranties was, when given, untrue or inaccurate in any respect if the same has not been cured within fourteen (14) Business Days following written notice of such breach or failure to perform in writing is served by the Purchaser; or
 - (iii) any creditor makes a valid demand for repayment or payment of any indebtedness of the Target Group or in respect of which the Target Group is liable prior to is stated maturity which demand can reasonably be expected to have a Material Adverse Change (or Effect);
 - (iv) the Target Group shall sustain any loss or damage (howsoever caused and whether or not the subject of any insurance or claim against any person) which constitutes a Material Adverse Change (or Effect);
 - (v) the occurrence of a Material Adverse Change (or Effect);
 - (vi) any petition is presented for the winding up or liquidation of any member of the Target Group or any member of the Target Group makes any composition or arrangement with its creditors or enters into a scheme or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of the Target Group or anything analogous thereto occurs in respect the Target Group which can reasonably be expected to have a Material Adverse Change (or Effect).
- (d) by the Vendor, if the Purchaser breaches or fails to perform in any respect of its obligations under the Acquisition Agreement and such breach or failure to perform cannot be or has not been cured within fourteen (14) Business Days following written notice of such breach or failure to perform in writing is served by the Vendor.

Consequences of Termination

- (a) Pursuant to the Acquisition Agreement The parties hereby agree that:
- (i) if the default is caused by the Vendor that leads to the termination of the Acquisition Agreement, the Purchaser shall be entitled to:–
 - (i) payment of compensation from the Vendor of a sum equivalent to 20% of the Consideration (without any Adjustment) as agreed liquidated damages; OR
 - (ii) bring an action against the Vendor and to obtain a decree for specific performance for all obligations contemplated under the Acquisition Agreement.
 - (ii) if the default is caused by the Purchaser that leads to the termination of the Acquisition Agreement, the Vendor shall be entitled to payment of compensation from the Purchaser of a sum equivalent to 20% of the Consideration (without any Adjustment) as agreed liquidated damages.
- (b) the parties further agree that in the event of the termination of the Acquisition Agreement occurs,
- (i) all cash payment of the Consideration made by the Purchaser to the Vendor shall be refunded by the Vendor to the Purchaser in cash within fifteen (15) Business Days free of interest;
 - (ii) all outstanding Convertible Bonds and Promissory Notes issued by the Company to the Vendor in payment of the Consideration by the Purchaser shall be forthwith returned to the Purchaser for cancellation by the Company;
 - (iii) any Convertible Bonds already converted into Conversion Shares by the Vendor shall be refunded by the Vendor to the Purchaser in cash in the amount equivalent to the number of Conversion Shares times the Conversion Price within fifteen (15) Business Days free of interest; and
 - (iv) the Purchaser shall, upon confirming no outstanding amounts owed by the Vendor to the Purchaser (including any damages claimed on the antecedent breach) (“**No Debt Confirmation**”), return to the Vendor the original share certificate(s), the related instruments of transfer in blank duly signed and undated by the chargor or its nominee(s) and the relevant documents as provided in the Sale Shares Share Charge and NP Share Charge within fourteen (14) Business Days after No Debt Confirmation.

For the avoidance, of doubt, the refund under the termination of Acquisition Agreement shall not include the Late Payment Interest.

All terms regarding termination shall survive Completion.

THE PROMISSORY NOTES

The proposed principal terms of the Promissory Notes that may be issued by the Company at per the Payment Schedule are as follows:

Issuer:	The Company
Bondholder(s):	The Vendor (or its nominees)
Principal amount:	Hong Kong Dollars equivalent to RM40.5 million
Maturity Date:	The third (3rd) anniversary from the date of issuance of the Promissory Notes (“ PN Maturity Date ”)
Interest:	2% per annum, payable on the PN Maturity Date.
Repayment:	Payment of the principal amount of the Promissory Notes shall be made in full upon maturity.
Early Redemption:	The Company may redeem all or part of the Promissory Notes at any time prior to the PN Maturity Date at 100% of their face value together with all interest accrued on the principal amount of the Promissory Notes.

The Promissory Notes (or any part thereof) shall not be assigned or transferred to a connected person of the Company or its associate(s) without the prior written consent of the Company and is subject to compliance of the conditions of the Promissory Note and further subject to:

- (i) the conditions, (if required) approvals, requirements and any other provisions of or under the Stock Exchange or their rules and regulations and all applicable laws and regulations; and
- (ii) the approval of the Independent Shareholders in a general meeting if so required under the Listing Rules if such assignment and/or transfer of the Promissory Notes is made to a connected person of the Company.

Any assignment or transfer of the Promissory Note shall be in respect of the whole or part in integral multiple of HK\$5,000,000 of the outstanding principal amount of the Promissory Notes.

THE CONVERTIBLE BONDS

Pursuant to the Acquisition Agreement, an amount in Hong Kong Dollars equivalent to RM100 million out of the Consideration is to be satisfied by the issuance of the Convertible Bonds by the Company to the Vendor (or their respective nominee(s)) as per the Payment Schedule.

The principal terms of the Convertible Bonds are summarised as follows:

Issuer:	The Company
Bondholder(s):	The Vendor (or its nominees)
Principal amount:	Hong Kong Dollars equivalent to RM100 million
Maturity date:	The Business Day falling on the third (3rd) anniversary from the issue date of the Convertible Bonds (“ CB Maturity Date ”).
Interest:	no interest
Transferability:	The Convertible Bonds will be freely transferable or assigned (in integral multiple of HK\$1,000,000 or such lesser amount representing the entire outstanding principal amount of the Convertible Bonds) to transferee other than any connected person(s) of the Company, which is subject to the prior written consent of the Company and in compliance with the Listing Rules.
Voting rights:	Bondholders is/are not entitled to attend or vote at any meetings of the Company.
Conversion Rights:	Bondholders has/have the right to convert the whole or part of the outstanding principal amount of the Convertible Bonds (in the amount of HK\$1,000,000 or integral multiples thereof) at Conversion Price on any Business Day after the date of issuance of the Convertible Bonds up to the CB Maturity Date, provided that no conversion can be done if it comes to the notice of the Company that any such issue of Conversion Shares will result in (i) the Company in breach of any provision of the Listing Rules, including the requirement to maintain the prescribed minimum percentage (currently being 25%) of the issued share capital of the Company held by the public (as defined in the Listing Rules from time to time); or (ii) the Bondholder(s) and parties acting in concert with it/them (for the purposes of the Takeovers Code) will hold 20% or more of the issued share capital of the Company or will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code (“ Restrictions ”).

- Conversion Price: The Conversion Price of HK\$0.1323 per Conversion Share (subject to adjustments as detailed below) represents:
- (i) a discount of approximately 11% to the closing price of HK\$0.149 per Share as quoted on the Stock Exchange on the Last Trading Day;
 - (ii) a discount of approximately 15% to the average of the closing prices of approximately HK\$0.1556 per Share for the last five consecutive trading days up to and including the Last Trading Day;
 - (iii) a discount of approximately 18% to the average of the closing prices of approximately HK\$0.1618 per Share for the last ten consecutive trading days up to and including the Last Trading Day; and
 - (iv) a premium of approximately 195% over the consolidated net asset value of the Group of approximately HK\$0.0449 per Share as at 31 March 2017 (based on the audited consolidated net asset value of the Group attributable to the Shareholders of HK\$179,526,000 as at 31 March 2017 and 4,000,000,000 issued Shares as at the date of the Acquisition Agreement).

The Board confirmed that the Conversion Price was arrived at after arm's length negotiations among the Company and the Vendors, after taking into account the prevailing market price of the Shares and the recent condition of the financial market in Hong Kong.

Redemption: Bondholders has/have the right to require the Company to redeem the Convertible Bonds upon the occurrence of events of default as stipulated under the terms of the Convertible Bonds.

Unless previously converted into Conversion Shares, the outstanding principal amount of the Convertible Bonds shall only be redeemed by the Company on the CB Maturity Date by issuing such number of Conversion Shares to the Bondholder in extinction of the whole or part of the outstanding principal amount of the Convertible Bond up to the maximum number of Conversion Shares that can be issued to the Bondholder within the Restrictions ("**Mandatory Conversion**"), and after Mandatory Conversion, the Company shall redeem the remaining outstanding principal amount of the Convertible Bonds (if any) in cash to the Bondholder(s).

The determination by the Company on the number of Conversion Shares to be issued under Mandatory Conversion shall be final and conclusive.

Ranking of the Conversion Shares: The Conversion Shares shall rank pari passu in all respects with the Shares in issue on the date of allotment and issuance of such Shares.

Application for listing: Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The Conversion Shares shall be allotted and issued under the Specific Mandate to be obtained at the EGM.

PROPOSED GRANT OF SPECIFIC MANDATE

Specific Mandate

Pursuant to the Acquisition Agreement, the Purchaser will procure the Company to issue the Convertible Bonds to the Vendor as part payment of the Consideration as per the Payment Schedule. The Conversion Shares to be issued following the exercise of the Conversion Rights pursuant to the Convertible Bonds shall rank pari passu in all respects with the Shares then in issue on the date of allotment and issue thereof. The Company will seek the grant of the Specific Mandate from the Shareholders at the EGM for the allotment and issue of the Conversion Shares upon the exercise of the Conversion Rights pursuant to the Convertible Bonds.

Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

THE SALE SHARES SHARE CHARGE

Pursuant to the Acquisition Agreement, the Vendor shall, on the date of the Acquisition Agreement, execute a share charge over of all rights, entitlements, interests and benefits in the entire issued share capital of the Target in favour of the Purchaser to secure the due and punctual performance and observance of the obligations by the Vendor contained in the Acquisition Agreement.

THE NP SHARE CHARGE

It is also stipulated in the Acquisition Agreement that, the Vendor shall procure the Target to execute a share charge in favour of the Purchaser to charge the entire issued share capital of Nexus Primo to secure the due and punctual performance and observance of the obligations by the Vendor contained in the Acquisition Agreement.

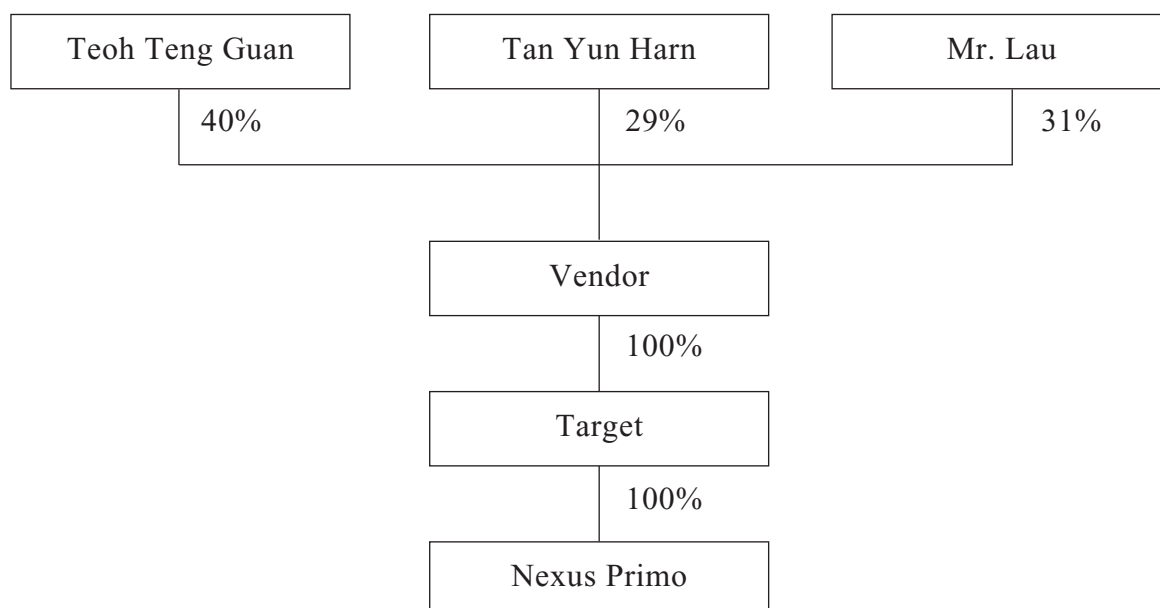
GUARANTEES

It is also stipulated in the Acquisition Agreement that, each of the Guarantors shall, at the signing of the Acquisition Agreement, execute a personal guarantee to guarantee by way of continuing obligation to the Purchaser as primary obligor, and not merely as surety, to procure the performance by the Vendor of all its obligations contained in the Acquisition Agreement.

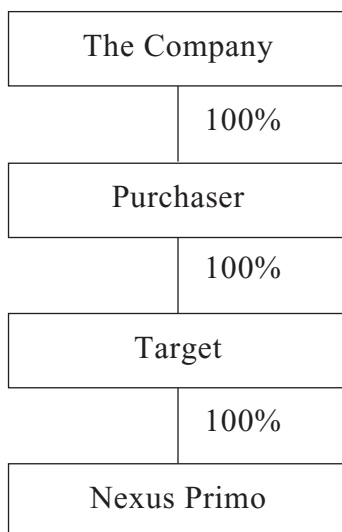
SHAREHOLDING STRUCTURE OF THE TARGET GROUP

Set out below is the shareholding structure of the Target Group (i) as at the date of this announcement; and (ii) immediately after Completion.

Shareholding structure of the Target Group as at the date of this announcement



Shareholding structure of the Target Group immediately after Completion



INFORMATION ON THE TARGET GROUP AND THE CKB PROJECT

The Target

The Target is an investment holding company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Vendor. As at the date of this announcement, the Target is principally engaged in investment holding and is the sole shareholder of Nexus Primo.

Nexus Primo

Nexus Primo is a company incorporated in Malaysia on 12 May 2010 with limited liability. As at the date of this announcement and at Completion, the Building Project is and will be the only major asset of Nexus Primo.

The Target Group

Upon Completion, the Company will hold 100% issued share capital of Nexus Primo through the Target. As a result, Nexus Primo will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group upon Completion.

Financial information on the Target Group

The Target Group comprises the Target and Nexus Primo, the financial information of which are illustrated below separately.

Set out below is a summary of the unaudited financial information on the Target from 19 September 2017 (being the date of its incorporation) up to 30 November 2017.

**From 19 September 2017 (date of incorporation)
up to 30 November 2017
(US\$)**

Income Statement

Revenue	–
Loss before taxation	3,820
Loss after taxation	3,820

**At 30 November 2017
(US\$)**

Balance Sheet

Total assets (including investment cost in Nexus Primo of US\$1,886,792 and amount due from Nexus Primo of US\$1,638,234)	5,195,027
Total liabilities (including the Sale Loan of US\$3,525,027)	3,528,847
Net assets	1,666,180

Set out below is a summary of the audited accounts of Nexus Primo for the two years ended 30 June 2017 and 2016, and its unaudited management accounts for the five months ended 30 November 2017:

	For the five months ended 30 November 2017 (RM)	For the year ended 30 June 2017 (RM)	For the year ended 30 June 2016 (RM)
Income Statement			
Revenue	–	87,000	96,000
Loss before taxation	109,094	366,407	116,287
Loss after taxation	109,094	366,407	116,287

	At 30 November 2017 (RM)	At 30 June 2017 (RM)	At 30 June 2016 (RM)
Balance Sheet			
Total assets	15,917,531	7,213,351	6,261,539
Total liabilities (including amount due to the Target of RM6,946,114, RMnil and RMnil respectively)	6,946,432	7,333,159	6,014,940
Net assets/(liabilities)	8,971,099	(119,808)	246,599

The CKB Project

Nexus Primo is the sole legal and beneficial owner of the Lands which comprises of 4 parcels of freehold vacate lands located along Lorong Haji Taib, within Chow Kit area in Bandar Kuala Lumpur, Daerah Kuala Lumpur, Malaysia. The total area of Lands is approximately 7,083 square feet. The Target Group plans to build one commercial block of wholesale centre of 8 floors with 1 level of M & E basement on the Lands under the name of “Chow Kit Baru”.

This proposed 9-storey building (including a mezzanine and basement level) is a small-scaled one-stop wholesale centre comprising 1 block of retail complex with gross floor area of 49,697 square feet and net floor area of 24,761 square feet and a total of 214 retail units and will be sandwiched between Jalan Chow kit and Lorong Tuanku Abdul Rahman, near the GM Plaza, another wholesale center in Kuala Lumpur. It is surrounded by both established commercial properties such as office buildings, hotels, various retail and wholesalers, hardware and groceries and few restaurants.

Nexus Primo will also build the online-to-offline (“**O2O**”) wholesale e-commerce platform, under the name “Chow Kit Boy” in two years’ time, and the Chow Kit Boy platform will be ready for usage by the wholesalers and customers of Chow Kit Baru by November 2019. The idea of O2O is to convert the traditional warehouse into a smaller space for the purpose of reducing the inconvenience and the storage problems faced by the wholesalers. Chow Kit Baru will provide a smaller but multi-functional space to the wholesalers as a showroom and storage for their products. It will also allow the wholesalers to have a space for their customer services, including in-store pick up of the products purchased online, allowing products purchased online to be returned or exchanged at a physical store, and allowing customers to place orders online while at a physical store. Customers will have a choice to purchase the products online or to visit the physical store at Chow Kit Baru.

Chow Kit Boy will also introduces the pre-ordering system to the wholesalers and customers of Chow Kit Baru. The O2O platform will be able to collect wholesalers data, customers data, products data, sales volume, transactional data, etc., to analyse and interpret the current trend and demand of the customer through the data. Chow Kit Boy also introduces the latest and updated technology namely “virtual store” via advanced CCTV on the website, to enable the customer to have a virtual sight of the products that they are interested by just clicking the said products on the website.

Chow Kit Baru will be equipped with 24-hours security, CCTV monitoring system, loading and unloading facilities as well as high-speed internet access.

Nexus Primo will also implement e-online payment system for Chow Kit Boy platform to capture one of the easiest and fastest means of payment. By providing the fully-wifi service in Chow Kit Baru, it could enhance the e-payment system as well as the instant logistic payment, as the customers could make their orders upon their decision being made in Chow Kit Baru.

As at the date of the announcement, the foundation work of Chow Kit Baru has already started. The proposed mall is expected to be fully completed by 2020.

REASONS FOR THE ACQUISITION

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 Group always aims at strengthen its core business and increase the Shareholders' values. Having considered the shift and quick development of the online business platform, the Group has a high expectation that, with the aid of the IT background of the Group, will lead Chow Kit Baru being the front runner of O2O wholesale e-commerce platform centre in Malaysia.

In order to catch up the worldwide trend of online-to-offline and O2O era, the Group considers that Chow Kit Baru, an O2O wholesale mall in Kuala Lumpur, as the first spot to ascertain the concept of O2O wholesale e-commerce platform in Malaysia. In addition to generate income by receiving rental from the tenant of the units in Chow Kit Baru, the Target Group will also be receiving O2O income from the whole e-commerce platform. The combination of the wholesale e-commerce platform and the hardware building is the golden business opportunity in the new era.

Given the above, the Board considers that the Acquisition would provide an opportunity for the Group to gain access to the e-commerce business in Malaysia. Accordingly, the Board is of the view that the terms of the Acquisition Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, set out below is a summary of the shareholdings in the Company (i) as at the date of this announcement; and (ii) after the allotment and issuance of the maximum Conversion Shares upon full exercise of the Conversion Right attaching to the Convertible Bonds under the Restrictions at the Conversion Price;

Name of Shareholder	As at the date of this announcement		Immediately after full conversion of the Convertible Bonds within the Restrictions (for illustration purpose only) (Note 1)	
	Number of Shares	Approximate % of shareholdings	Number of Shares	Approximate % of shareholdings
	BIZ Cloud Limited (Notes 3 and 4)	2,130,000,000	53.25%	2,130,000,000
Cloud Gear Limited (Notes 3 and 6)	2,130,000,000	53.25%	2,130,000,000	39.05%
Friends True Limited (Notes 3 and 7)	2,130,000,000	53.25%	2,130,000,000	39.05%
Imagine Cloud Limited (Notes 3 and 9)	2,130,000,000	53.25%	2,130,000,000	39.05%
Lee Cheong Yuen (“Mr. Lee”) (Notes 3 and 4)	2,130,000,000	53.25%	2,130,000,000	39.05%
Chan Kwok Pui (“Mr. Chan”) (Notes 3 and 6)	2,130,000,000	53.25%	2,130,000,000	39.05%
Yong Man Kin (“Mr. Yong”) (Notes 3 and 7)	2,130,000,000	53.25%	2,130,000,000	39.05%
Tam Kwok Wah (“Mr. Tam”) (Notes 3 and 9)	2,130,000,000	53.25%	2,130,000,000	39.05%
Saetia Ladda (Note 4)	2,130,000,000	53.25%	2,130,000,000	39.05%
Ma Kit Ling (Notes 8)	2,130,000,000	53.25%	2,130,000,000	39.05%
Public Shareholders:				
Mr. Lau	259,804,000	6.50%	259,804,000	4.76%
The Vendor	–	–	830,714,191	15.23%
Other Public Shareholders	1,610,196,000	40.25%	2,233,941,371	40.96%
Total	4,000,000,000	100.00%	5,454,459,562	100.00%

Notes:

1. This scenario is for illustration purpose only. Any conversion of the Convertible Bonds is subject to the restrictions that no conversion can be done if it comes to the notice of the Company that any such issue of Conversion Shares will result in (i) the Company in breach of any provision of the Listing Rules, including the requirement to maintain the prescribed minimum percentage (currently being 25%) of the issued share capital of the Company held by the public (as defined in the Listing Rules from time to time); or (ii) the Bondholder(s) and parties acting in concert with it/them (for the purposes of the Takeovers Code) will hold 20% or more of the issued share capital of the Company or will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code.
2. For illustration purpose, this scenario disregards the effects on shareholding structure of the Company upon completion of the disclosable and share transaction as detailed in the announcements of the Company dated 10 November 2017 and 17 November 2017.

3. On 27 February 2015, the ultimate controlling shareholders of the Company, namely, Mr. Lee, Mr. Chan, Mr. Yong and Mr. Tam, entered into a confirmation deed to acknowledge and confirm, among other things, that they were parties acting in concert of each of the members of the Group. As such, the ultimate controlling shareholders of the Company together are deemed to have controlling interest in the share capital of the Company through BIZ Cloud Limited, Cloud Gear Limited, Friends True Limited and Imagine Cloud Limited.
4. Shares in which Mr. Lee is interested consist of (i) 1,170,000,000 Shares held by BIZ Cloud Limited, a company wholly owned by Mr. Lee, and (ii) 960,000,000 Shares in which Mr. Lee is deemed to be interested as a result of being a party acting-in-concert with Mr. Chan, Mr. Yong and Mr. Tam.
5. Ms. Saetia Ladda is the spouse of Mr. Lee. Under the Securities and Futures Ordinance, Ms. Saetia Ladda is deemed to be interested in the same number of Shares in which Mr. Lee is interested.
6. Shares in which Mr. Chan is interested consist of (i) 160,000,000 Shares held by Cloud Gear Limited, a company wholly owned by Mr. Chan, and (ii) 1,970,000,000 Shares in which Mr. Chan is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee, Mr. Yong and Mr. Tam.
7. Shares in which Mr. Yong is interested consist of (i) 725,000,000 Shares held by Friends True Limited, a company wholly owned by Mr. Yong, and (ii) 1,405,000,000 Shares in which Mr. Yong is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee, Mr. Chan and Mr. Tam.
8. Ms. Ma Kit Ling is the spouse of Mr. Yong. Under the Securities and Futures Ordinance, Ms. Ma Kit Ling is deemed to be interested in the Shares in which Mr. Yong is interested.
9. Shares in which Mr. Tam is interested consist of (i) 125,000,000 Shares held by Imagine Cloud Limited, a company wholly owned by Mr. Tam, and (ii) 2,005,000,000 Shares in which Mr. Tam is deemed to be interested as a result of being a party acting-in-concert with Mr. Lee, Mr. Yong and Mr. Chan.

Under the terms and conditions of the Acquisition Agreement and the terms of the Convertible Bonds, there will not be a change in control of the Company as a result of the Acquisition.

The Company shall comply with the public float requirements under Rule 8.08 of the Listing Rules, being that not less than 25% of the total issued share capital of the Company are held by the public at all times and the Company shall take appropriate steps/measures to ensure sufficient public float of the Shares (if necessary).

DILUTION EFFECT OF THE SHAREHOLDERS

The Company is required to make disclosure relating to changes in its issued share capital (including any exercise of the Conversion Right attaching to the Convertible Bonds) in the Next Day Disclosure Return(s) and Monthly Return(s) in compliance with Rules 13.25A and 13.25B of the Listing Rules as and when required.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to the notification, announcement and shareholders' approval requirement under the Listing Rules.

The EGM will be held to consider and, if thought fit, approve the ordinary resolution(s) in respect of the Acquisition Agreement and the transactions contemplated thereunder, including the issuance of the Promissory Notes and the Convertible Bonds, and the allotment and issuance of the Conversion Shares.

To the best of the knowledge, information and belief of the Directors, as at the date of the Acquisition Agreement, the Vendor and its ultimate beneficial owners, save and except for Mr. Lau, are Independent Third Parties. As at the date of the Acquisition Agreement, 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 Acquisition Agreement, Mr. Lau and his associates are not connected persons of the Company pursuant to the Listing Rules and accordingly, the Acquisition Agreement and the transactions contemplated thereunder is not subject to Chapter 14A of the Listing Rules. However, there may be an issue of Conversion Shares to Mr. Lau upon Completion of the Acquisition Agreement, accordingly, Mr. Lau and his associates will become the substantial shareholders of the Company. Hence, Mr. Lau and his associates are required to abstain from voting in respect of the ordinary resolution(s) relating to the Acquisition Agreement and the transactions contemplated thereunder, including the issuance of the Promissory Notes and the Convertible Bonds and the allotment and issuance of the Conversion Shares.

GENERAL

A Circular containing details regarding, among others, (i) further details of the Acquisition Agreement; (ii) the Specific Mandate; (iii) the Valuation Report; (iv) the accountant's report on the Target Group; (v) the pro-forma financial information on the Enlarged Group; and (vi) notice of the EGM, is expected to be despatched to the Shareholders on or before 6 February 2018 to allow sufficient time to prepare the relevant information to be included in the Circular.

RESUMPTION OF TRADING

At the request of the Company, trading in its Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 7 December 2017 pending the release of this announcement. Application has been made by the Company for the resumption of trading in its Shares with effect from 9:00 a.m. on 8 December 2017.

As Completion is subject to the fulfillment of a number of conditions precedent, the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares and the Sale Loan by the Company from the Vendor pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 6 December 2017 entered into amongst the Purchaser, the Vendor, and the Guarantors in relation to the Acquisition
“Application for Surrender and Re-Alienation”	the application dated 8 June 2017 with a reference no. PTG/WP.6(SP)/2017/0106 submitted by Nexus Primo (including its representatives or advisers) to the Land Office of Malaysia
“Architect”	Atelier Alan Teh Architect or other qualified architecture firm in Malaysia appointed by the Purchaser from time to time
“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	the holder(s) of the Convertible Bonds
“Building Plans”	the building plans for the Building Project as approved by the relevant governmental authority in accordance with the Building Plans Approval;
“Building Plans Application”	the application dated 6 September 2017 with a reference no. MOA/1507/BP/OSC/2017/01 submitted by Nexus Primo (including its representatives or advisers) to the relevant governmental authority in respect of the Building Project,
“Building Plans Approval”	the conditional approval granted by DBKL dated 20 November 2017 (reference no.: BP T3 OSC 2017 2425) in accordance with the Building Plans Application
“Building Project”	the building of one commercial block of 8 floors with 1 level of M&E basement on the Lands under the name of “Chow Kit Baru” (or such other names as the Vendor and the Purchaser may agree in writing) in accordance with the Building Plans
“BVI”	British Virgin Islands

“Business Day(s)”	any day on which banks in both Hong Kong and Kuala Lumpur, Malaysia generally are open for clearing and settlement business, except a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“CCC”	Certificate of Completion and Compliance issued by the Department of Infrastructure Planning of Malaysia
“Chow Kit Baru”	the name of the Building Project;
“Chow Kit Boy”	the online-to-offline wholesale e-commerce platform in Chow Kit Baru;
“Circular”	the Shareholders’ circular to be issued by the Company in accordance with the Listing Rules in respect of the Acquisition
“CKB Project”	the Building Project and the O2O Project
“Company”	ICO Group Limited (Stock code: 1460), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	the completion of the Acquisition
“Completion Date”	the 7th Business Day following the day when all the Conditions Precedent II have been fulfilled (or waived to the extent it is capable to be waived) or such other date as the parties therein may agree in writing
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Consideration”	the consideration of RM145 million payable by the Company to the Vendor for the Acquisition pursuant to the Acquisition Agreement
“Conversion Rights”	the rights attached to the Convertible Bonds to convert the same or a part thereof into Conversion Shares pursuant to the terms and conditions of the Convertible Bonds
“Conversion Price”	the price per Share at which the Convertible Bonds may be converted into Shares
“Conversion Share(s)”	the new Shares to be allotted and issued by the Company upon exercise of the Conversion Right attaching to the Convertible Bonds at the Conversion Price

“Convertible Bond(s)”	the convertible bonds in Hong Kong Dollars equivalent to RM100 million to be issued by the Company to the Vendor (or to their respective nominee(s)) pursuant to the Payment Schedule
“Deposit”	the refundable deposit of RM4.5 million paid to the Vendor upon the signing of the Acquisition Agreement
“Director(s)”	the director(s) of the Company
“Earnest Money”	the sum of HK\$2.7 million paid by the Purchaser to the Vendor pursuant to the MOU
“Enlarged Group”	the Group upon Completion, together with the Target Group
“EGM”	the extraordinary general meeting of the Company to approve the Acquisition Agreement and the transactions contemplated hereunder including but not limited to the issuance of the Conversion Shares, Convertible Bonds and Promissory Notes and the granting of the Specific Mandate, etc.
“Group”	the Company and its subsidiaries
“Guarantors”	collectively, Mr. Teoh Teng Guan, Mr. Tan Yun Harn and Mr. Lau, which are also the shareholders of the Vendor
“Hong Kong Dollar(s) or HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an independent third party(ies) and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“Independent Shareholders”	Shareholder(s) other than Mr. Lau and his respective associates who are required to abstain from voting at EGM
“Lands”	collectively Land 445, Land 446, Land 447 and Land 448
“Land 445”	Geran 24865, Lot 445 Seksyen 46, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Malaysia with approximately 186 square meters
“Land 446”	Geran 24866, Lot 446 Seksyen 46, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Malaysia with approximately 186 square meters

“Land 447”	Geran 24867, Lot 447 Seksyen 46, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Malaysia with approximately 186 square meters
“Land 448”	Geran 24868, Lot 448 Seksyen 46, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Malaysia with approximately 186 square meters
“Last Trading Day”	5 December 2017
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date I”	within 6 months from the date of the Acquisition Agreement or such later dates as the Purchaser and the Vendor may agree in writing
“Long Stop Date II”	within 26 months from the date of the Acquisition Agreement or such later dates as the Purchaser and the Vendor may agree in writing
“Malaysian Ringgit” or “RM”	means Malaysian Ringgit, the lawful currency of Malaysia
“Material Adverse Change (or Effect)”	any event, occurrence or development of a state of circumstances or facts which has had or reasonably could be expected to have a material and adverse effect on the financial position, business or property, results of operations, legal or financing structure, business prospects or assets or liabilities of the Target Group up to the Completion Date
“MOU”	the memorandum of understanding dated 7 September 2017 (as supplemented by the supplemental MOU dated 6 October 2017) entered into between the Purchaser and the Vendor in relation to the Acquisition, details of which are set out in the announcements of the Company dated 7 September 2017 and 6 October 2017
“Mr. Lau”	Lau Chuen Yien, Calvin, one of the ultimate beneficial owners and directors of the Vendor who is also the holder of 259,804,000 Shares, representing approximately 6.5% of the issued capital of the Company
“NP Share Change”	the charge of all rights, entitlements, interests and benefits in the entire issued share capital of Nexus Primo to be given by the Target in favour of the Purchaser to secure the due and punctual performance and observance of the obligations by the Vendor contained in the Acquisition Agreement
“Nexus Primo”	Nexus Primo Sdn. Bhd., a private company limited by shares incorporated in Malaysia, the wholly-owned subsidiary of the Target

“Payment Schedule”	the payment schedule including the dates, amounts, methods and condition of payment of the Consideration as set out in the Acquisition Agreement
“O2O Project”	the project involving the setting up of an online-to-offline wholesale marketplace under the name of Chow Kit Boy for Chow Kit Baru and setting up an e-payment system
“Promissory Notes”	the promissory notes in Hong Kong Dollars equivalent RM40.5 million to be issued by the Company to the Vendor (or its nominee(s))
“Purchaser”	ICO IT Properties (Malaysia) Limited, a wholly-owned subsidiary of the Company
“Sale Loan”	all indebtedness, obligations and liabilities due, owing or incurred by the Target to the Vendor as at the date of Completion.
“Sale Shares”	1,670,000 shares of US\$1 each in the issued share capital of the Target, representing the entire issued share capital of the Target
“Sale Shares Share Change”	the charge over of all rights, entitlements, interests and benefits in the entire issued share capital of the Target given by the Vendor in favour of the Purchaser to secure the due and punctual performance and observance of the obligations by the Vendor contained in the Acquisition Agreement
“SFC”	Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to allot and issue the new Shares which may fall to be allotted and issued upon exercise of the Conversion Rights attaching to the Convertible Bonds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders(s)”	shall have the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Target”	O2O Limited, a company incorporated in the BVI with limited liability and is wholly-owned by the Vendor
“Target Group”	the Target and Nexus Primo

“US\$”	US dollar(s), the lawful currency of the United States of America
“Valuation Report”	the valuation report prepared by B.I. Appraisals Limited, an independent professional valuer, regarding the valuation of the Building Project
“Vendor”	Rainbow Field Investment Limited, a company incorporated in the BVI
“%”	per cent.

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

Hong Kong, 7 December 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.

For the purpose of this announcement, and for information only, the exchange rates of US\$ to HK\$ and RM to HK\$ are US\$1 to HK\$7.8 and RM1 to HK\$1.92425 respectively. No representation is made that any amounts in US\$, RM or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

In the event of any inconsistency, the English text of this announcement shall prevail over the Chinese text.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange and the website of the Company for at least seven days from the date of its posting.