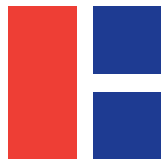


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ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1460)

**(1) PROFIT WARNING; AND
(2) BUSINESS UPDATE**

This announcement is made by ICO Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 (2)(a) of the Listing Rules.

(1) PROFIT WARNING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a net loss attributable to equity shareholders of the Company of not more than HK\$15.0 million for the year ended 31 March 2018 (“**FY2018**”), as compared to a net profit attributable to equity shareholders of the Company of approximately HK\$30.4 million for the year ended 31 March 2017. Such loss was principally attributable to a significant decrease in the Group’s revenue generated from its IT application and solution development segment caused by: (i) the implementation phase of the existing large scale IT projects of the Group, including Project A (as defined in the Annual Report 2016/17 published by the Group), have been substantially completed; and (ii) the results of tender bids submitted by the Group for other large scale IT projects commenced during FY2018 were unfavourable. The Group is currently going through its business cycle of bidding new tenders in order to secure future revenue streams and its resources were focused on completing existing engagements on hand and tender bidding processes during FY2018.

* For identification purpose only

The information contained in this announcement is only based on information currently available to the Group after preliminary review and assessment of the management accounts of the Group by the management of the Company. The management accounts are subject to finalization and necessary adjustments, and have not been confirmed, audited nor reviewed by the Company's auditor. Details of the financial performance of the Group will be disclosed in the Group's annual results announcement for FY2018 at or before the end of June 2018.

(2) BUSINESS UPDATE

The Board also wishes to inform the shareholders of the Company and potential investors that as at the date of this announcement, although the Group is yet to secure another large scale IT projects, the maintenance phase of Project A has been commenced and the maintenance phase of two other sizable projects of the Group are expected to commence by the end of June 2018. The maintenance contract of the above projects will last for 10 years and are expected to contribute a total revenue of over HK\$60 million per year to the Group. On the other hand, the Group has downsized its number of staff from 323 as at 31 March 2017 to 279 as at the date of this announcement. The Board expects that, with the substantial revenue to be recognised from the maintenance contracts mentioned and the cost saving effect resulted from the downsize of the staff team, the financial results of the Group would be improved in the foreseeable future.

Shareholders of the Company and potential investors are advised to exercise 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, 14 May 2018

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.