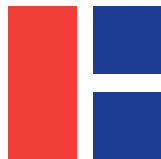


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ICO GROUP LIMITED

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 FURTHER 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 29 March 2019, Catering Automation Limited, an indirect wholly-owned subsidiary of the Company (the “**Purchaser**”) has entered into a memorandum of understanding (the “**MOU**”) with Mr. Chai Shui Yin Edwin (the “**Vendor**”), pursuant to which the Purchaser intends to further acquire from the Vendor (the “**Intended Further Acquisition**”) a maximum of 24% equity interest in PS International Company Limited (the “**Target Company**”), which holds the entire issued share capital of Pointsoft Limited (“**Pointsoft**”), a limited company incorporated in Hong Kong.

Currently, the Purchaser holds 40% equity interest in the Target Company.

Exclusivity

The Vendor agreed with the Purchaser that within a period of three (3) months 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 shares in the Target Company and Pointsoft. The parties to the MOU may mutually agree in writing to extend 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 Further Acquisition (the “**Formal Agreement**”) shall have been entered into and executed by the parties; or (b) the expiration of the Exclusivity Period.

Consideration

The consideration for the Intended Further Acquisition, including the payment method, shall be subject to further arm’s length negotiation between the parties and shall be determined in the Formal Agreement.

Due Diligence

Pursuant to the MOU, the Purchaser is entitled to perform due diligence review on the assets, liabilities, contracts, commitments, undertaking, legal titles, business, financial, legal and taxation aspects of the Target Company and Pointsoft. Each party shall bear its own costs and expenses in relation to the due diligence review.

Binding Effect

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

INFORMATION ON THE TARGET COMPANY AND POINTSOFT

The Target Company has no material assets or business activities other than holding the shares of Pointsoft.

Pointsoft is principally engaged in the business of developing, promoting, selling and offering turn-key point-of-sale solutions for a variety of food and beverage establishments, ranging from table service restaurants, cafes, quick service and fast food chains, foodcourts, and home delivery services in Hong Kong. Pointsoft is now carrying on its business in a going concern and most of the its clients are the first tier operators in the field of food and beverage, and are operating large scale chain restaurants.

REASONS AND BENEFITS FOR THE INTENDED FURTHER ACQUISITION

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, as a result the Group indirectly acquired 40% equity interest in Pointsoft on 28 June 2018.

According to the latest information provided by Pointsoft, its financial results for the year ending 31 March 2019 will outperform its past performance and its business is still having expansion potential. Accordingly, the Board is optimistic on the Intended Further Acquisition and of the view that the Intended Further Acquisition will enhance the profitability of the Group and benefit the shareholders of the Company as a whole.

GENERAL

The Company will keep its shareholders and potential investors informed of any material development in connection with the Intended Further 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, as at the date of the MOU, the Vendor holds 29,779,383 shares of the Company, representing approximately 0.63% of the issued share capital of the Company. Nevertheless, the Vendor is not a connected person (as defined under the Listing Rules) of the Company.

The Intended Further 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 Intended Further Acquisition may or may not proceed. Shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company.

By order of the Board

ICO Group Limited

Lee Cheong Yuen

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 29 March 2019

As at the date of this announcement, the executive Directors are Mr. Lee Cheong Yuen and Mr. Chan Kwok Pui; the non-executive Directors are Mr. Tam Kwok Wah and Ms. Tuon Wai Man; and the independent non-executive Directors are Dr. Cheung Siu Nang Bruce, Mr. Fong Sing Chak Jack and Ms. Kam Man Yi Margaret.