ICO GROUP LIMITED
揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1460)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

Reference is made to the Annual Report 2017/18 (the "**Annual Report**") of ICO Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 March 2018. Capitalised terms used herein shall bear the same meanings as defined in the Annual Report unless the otherwise defined.

The Company wishes to provide the additional information in relation to the Group's investments and capital assets. Accordingly, the section headed "**SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS**" on page 10 of the Annual Report should be replaced and read as follows:

SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

Significant investment held as at 31 March 2018

On 10 November 2017, the Company entered into a sale and purchase agreement to acquire 15% equity interest in INAX at a cost of HK$66 million, which is a limited company incorporated in Hong Kong which principally engages in IT infrastructure business with a focus on IT & telecommunication infrastructures and data centre industry. With reference to a valuation report prepared by an independent professional valuer, as at 31 March 2018, the fair value of this investment (recorded as available-for-sale investment in consolidated statement of financial position) is approximately HK$71.7 million, which does not significantly differ from the cost of investment and representing approximately 22% of the Group's total asset. During FY2018, no dividend has been received from the investment. For details of the acquisition, please refer to the INAX Announcements.

* *For identification purpose only*

Up to the date of this Annual Report, the Group considers the performance of INAX is satisfactory as the management account of INAX (subject to audit) shows that it had fulfilled the performance target in accordance with the sale and purchase agreement in relation to the acquisition. Looking forward, the Group holds positive view on the prospect of this investment due to (i) according to *Cisco Global Cloud Index: Forecast and Methodology, 2016-2021*, the total data center workload at Asia Pacific region will increase at a compound annual growth rate ("**CAGR**") of approximately 24%, and the CAGR of global data centre traffic is approximately 25% for the same period, the forecasted growth in data centre workload and data centre traffic provides future growth potential for the business of INAX; and (ii) the potential collaboration and cross-selling opportunities that will be mutually beneficial for both the Group and INAX.

Significant investment contracted but not yet completed as at 31 March 2018

On 6 December 2017, the Company entered into an agreement to acquire the entire issued capital of O2O Limited at a cost of RM145 million, which is currently through a subsidiary in Malaysia developing an e-Marketplace project with both physical stores and online trading platforms ("**Project CKB**"). The project is expected to be completed by the first quarter of year 2020. As at 31 March 2018, the Group has paid a deposit of approximately HK$8.7 million for the acquisition, which is recorded as deposit paid for acquisition of a subsidiary in consolidated statement of financial position. For details of the acquisition, please refer to Project CKB Announcements and Circular.

By acquiring Project CKB, it is expected that the Group shall be able to diversify its revenue sources by receiving stable rental income from the physical stores as well as service income from the online trading platform. Although the property market in Malaysia including Kuala Lumpur has been relatively sluggish in recent years and there is an oversupply issue in certain segments of the property market, the Group expected that the forecasted economic growth in future years shall provide support for the property price and it was a good timing to invest in the project at a relatively low cost. In addition, it is forecasted that the CAGR of revenue in the Malaysia e-commerce market is approximately 11.4% and reach approximately US$5,776 million by 2023 *(Source: statista)*, which provides a vast potential market for the online trading platform. Based on the above factors, the Group is optimistic on the future prospect of the investment.

Significant investment contracted subsequent to 31 March 2018

Subsequent to 31 March 2018, on 20 June 2018, the Group entered into a sale and purchase agreement to acquire 40% equity interest in PointSoft Limited at a cost of HK$60 million, which is a limited company incorporated in Hong Kong with its business focus on developing and managing food and beverage point-of-sale system with a continuous profit making history. For details of the acquisition, please refer to the PointSoft Announcements.

PointSoft is the market leader of promoting, selling and offering food and beverage point-of-sale system and its existing clients are all first tier restaurant and chain food stores, the market leader status and the strong client base of PointSoft provides a stable profit stream. By acquiring 40% equity interest in PointSoft, it is expected that in the future the Group will benefit from (i) share of the continuous stable profit stream from PointSoft; and (ii) the potential collaboration and cross-selling opportunities that will be mutually beneficial for both the Group and PointSoft.

Apart from the above, the Group did not acquire or hold any other significant investments during FY2018 and FY2017. In the future, the Group will continue to identify suitable targets for investment that (i) are profitable and have growth potentials that would contribute to the future earnings of the Group; or (ii) provide collaboration and cross-selling opportunities that would be mutually beneficial for both the Group and the targets.

Capital assets held as at 31 March 2018

The Group acquired an office premises and a carpark in Kwun Tong during the year ended 31 March 2016 at a consideration of approximately HK$45.3 million and is still holding the office premises and the carpark as up to the date of this Annual Report. As at 31 March 2018, according to a valuation report issued by an independent professional valuer, the fair value of the office premises and the carpark is approximately HK$54.8 million (as at 31 March 2017: approximately HK$52.0 million).

Apart from the above, the Group did not acquire or hold any other significant capital assets during FY2018 and FY2017.

The above additional information does not affect other information contained in the Annual Report, all other contents of the Annual Report remain true and accurate.

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

Hong Kong, 15 July 2019

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