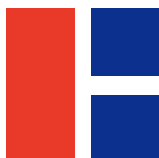


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ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1460)

**PROPOSED SHARE CONSOLIDATION
AND
PROPOSED CHANGE IN BOARD LOT SIZE**

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value of HK\$0.0025 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.025 each.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 4,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 8,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. A circular containing, among other things, (i) further details of the Share Consolidation and the Change in Board Lot Size; and (ii) a notice of EGM is expected to be despatched to the Shareholders on or before 17 November 2020.

Shareholders and potential investors should be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions of the Share Consolidation”. And the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

* For identification purpose only

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value of HK\$0.0025 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.025 each.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 40,000,000,000 Existing Shares of par value of HK\$0.0025 each, of which 7,064,393,129 Existing Shares have been issued as fully paid or credited as fully paid. Assuming that no further Existing Shares are allotted, issued or repurchased between the date of this announcement and the date of the EGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company shall become HK\$100,000,000 divided into 4,000,000,000 Consolidated Shares of par value of HK\$0.025 each, of which 706,439,312 Consolidated Shares will be in issue and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other. The Share Consolidation will not result in any change in the rights of the Shareholders. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation and the Change in Board Lot Size is expected to be on Tuesday, 8 December 2020, being the second Business Day after the EGM. As at the date of this announcement, none of the conditions above had been fulfilled.

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation being effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

No part of the share capital of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Arrangement on odd lot trading and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Free exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Tuesday, 8 December 2020, being the second Business Day immediately after the date of the EGM, Shareholders may on or after Tuesday, 8 December 2020 and until Friday, 15 January 2021 (both days inclusive), submit their share certificates for the Existing Shares in blue color to the Company's branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong to exchange for new share certificates for the Consolidated Shares in green colour at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each new share certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Wednesday, 13 January 2021 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of ten (10) Existing Shares for one (1) Consolidated Share.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company does not have any derivatives, options, warrants, other securities or conversation rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares.

CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 4,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 8,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.030 per Existing Share (equivalent to the theoretical closing price of HK\$0.30 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$120; (ii) the value of each board lot of 4,000 Consolidated Shares would be HK\$1,200 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 8,000 Consolidated Shares would be HK\$2,400 assuming that the Change in Board Lot Size had also been effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

REASON FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 has further stated that (i) market price of the Shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for securities trade, the expected value per board lot should be greater than HK\$2,000.

In view of the recent trading prices of the Shares at a level less than HK\$0.10, the average closing price of the Existing Shares during the last six months was HK\$0.0326 and the closing price of the Existing Shares on the date of this announcement was HK\$0.030. The existing board lot value has been less than HK\$2,000. Based on the closing price of HK\$0.030 per Existing Share as at the date of this announcement and the existing board lot size of 4,000 Existing Shares, the Board resolved to propose the Share Consolidation and the Change in Board Lot Size, resulting in HK\$0.30 per Consolidated Share and HK\$2,400 per board lot of 8,000 Consolidated Shares with the view to complying with the trading requirements under the Listing Rules.

The Directors consider that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. Furthermore, the Share Consolidation and the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade.

In view of the above reasons, the Company considers the Share Consolidation and Change in Board Lot Size is justifiable notwithstanding of the potential costs and impact arising from creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation and Change in Board Lot Size is beneficial to and in the interests of the Company and the Shareholders as a whole.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative right of the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and the Change in Board Lot Size is set out below and is subject to change. Any such change will be further announced by the Company as and when appropriate.

Event	Time and Date
Expected despatch date of circular with notice of the EGM	on or before Tuesday, 17 November 2020
Latest time for lodging share transfer documents in order to qualify for attending and voting at the EGM	4:00 p.m. on Monday, 30 November 2020
Closure of register of members for determining the entitlement to attend and vote at the EGM	Tuesday, 1 December 2020 to Friday, 4 December 2020 (both days inclusive)
Latest time for lodging forms of proxy for the EGM	11:00 a.m. on Wednesday, 2 December 2020
Expected date and time of the EGM	11:00 a.m. on Friday, 4 December 2020
Announcement of voting results of the EGM	Friday, 4 December 2020
The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation and the Change in Board Lot Size:	
Effective date of Share Consolidation	Tuesday, 8 December 2020
First date and time of free exchange of existing share certificates for new share certificates for the Consolidated Shares	9:00 a.m. on Tuesday, 8 December 2020
Dealing in the Consolidated Shares commences	9:00 a.m. on Tuesday, 8 December 2020

Event	Time and Date
Original counter for trading in the Existing Shares in board lots of 4,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 8 December 2020
Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 8 December 2020
Original counter for trading in the Consolidated Shares in board lots of 8,000 Consolidated Shares (in the form of new share certificates) for the Consolidated Shares) re-opens	9:00 a.m. on Tuesday, 22 December 2020
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Tuesday, 22 December 2020
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 22 December 2020
Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) ends	4:10 p.m. on Wednesday, 13 January 2021
Parallel trading in the Consolidated Shares (in the form of new share certificates for Consolidated Shares and existing share certificates) ends	4:10 p.m. on Wednesday, 13 January 2021
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:10 p.m. on Wednesday, 13 January 2021
Last date and time for free exchange of existing share certificates for new share certificates for the Consolidated Shares.	4:00 p.m. on Friday, 15 January 2021

GENERAL

The EGM will be convened and held for the Shareholders to consider, and if thought fit, approve, among other things, the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquires, no Shareholders are required to abstain from voting on the resolutions in relation to the Share Consolidation to be proposed at the EGM.

The circular containing, among other things, (i) further details of the Share Consolidation and the Change in Board Lot Size; and (ii) a notice of EGM is expected to be despatched to the Shareholders on or before 17 November 2020.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any other concrete plan to conduct any other fund-raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund-raising exercises when suitable fund-raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

Shareholders and potential investors should be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions of the Share Consolidation”. And the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement.

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Existing Shares to 8,000 Consolidated Shares
“Company”	ICO Group Limited (揚科集團有限公司*), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) with a par value of HK\$0.025 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Share Consolidation
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.0025 each in the share capital of the Company before the Share Consolidation becoming effective
“Group”	the Company and its subsidiaries (from time to time)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of par value of HK\$0.0025 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$0.025 each

* For identification purpose only

“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
ICO Group Limited
Leong Yeng Kit
Chairman and Executive Director

Hong Kong, 30 October 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Leong Yeng Kit and Ms. Lee Pei Ling; and the independent non-executive Directors of the Company are Mr. Gan Cheng Khuan, Ms. Yvonne Low Win Kum and Mr. Chiu King Yan.