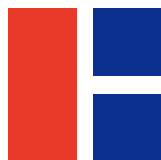


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ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1460)

**ANNOUNCEMENT
UPDATE ON THE ACQUISITION OF
THE ENTIRE ISSUED CAPITAL OF O2O LIMITED –
NON-FULFILLMENT OF PERFORMANCE GUARANTEE AND
LAPSE OF PAYMENT CONDITION**

Reference is made to the announcements of ICO Group Limited (the “**Company**”) dated 7 December 2017, 2 June 2020, 30 November 2020 and the circular of the Company dated 28 March 2018 (the “**Circular**”) in relation to the acquisition of the entire issued capital of O2O Limited involving the issue of convertible bonds and promissory notes. Unless the otherwise defined herein, capitalised term in this announcement shall have the same meaning as given to them in the Circular.

As disclosed in the Circular, under the Acquisition Agreement, a payment of RM10,150,000 (equivalent to approximately HK\$18,980,500) by way of issuance of a promissory note by the Company, being the final part of the Consideration for the Acquisition of O2O Limited (the “**Final Payment**”), shall be payable to the Vendor upon satisfaction of the Payment Condition (K) within 18 months after the Completion Date, namely, upon the Performance Guarantee (details of which as set out in the Circular) has been fulfilled.

The Board announces that due to the outbreak of COVID-19, the operational commencement of Chow Kit Baru had been delayed and the leasing of Chow Kit Baru was halted with no rental income generated so far. Accordingly, the Performance Guarantee for the Performance Guarantee Period was not fulfilled by the Vendor. As such, the parties to the Acquisition Agreement agreed that the Payment Condition (K) shall lapse, and the Final Payment would be waived and the promissory note in the principal amount of RM10,150,000 will not be issued to the Vendor.

* For identification purposes only

The Board understands that the Performance Guarantee was not fulfilled due to the impact of prevalence of COVID-19 and the resulting movement control measures adopted in Malaysia, which delayed the operational commencement and the leasing of Chow Kit Baru since the completion of the Acquisition. Nevertheless, the Board believes that COVID-19 will ease globally and in Malaysia soon with increasing vaccination rate, and thus the operation of the Target Group (including the leasing of Chow Kit Baru) will back on track, upon which it will contribute a stable rental income from the physical stores in Chow Kit Baru in the foreseeable future, and with the waiver of the Final Payment, there is no material loss suffered by the Company for the non-fulfillment of the Performance Guarantee under the Acquisition.

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

Hong Kong, 2 December 2021

For the purpose of this announcement, and for information only, the exchange rates of RM to HK\$ is RM1 to HK\$1.87. No representation is made that any amounts in RM or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

As at the date of this announcement, the executive Directors of the Company are Mr. Lee Cheong Yuen and Mr. Leong Yeng Kit; the non-executive Director of the Company is Dr. Choi Chiu Fai Stanley; and the independent non-executive Directors of the Company are The Hon. Ip Kwok Him, G.B.M., G.B.S., JP., Ms. Yvonne Low Win Kum and Mr. Chiu King Yan.