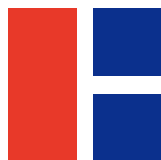


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ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1460)

**INSIDE INFORMATION
BUSINESS UPDATE RELATING TO
THE ACQUISITION OF
THE ENTIRE ISSUED CAPITAL OF O2O LIMITED**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of ICO Group Limited (the “**Company**”) dated 7 December 2017, 8 January 2018, 5 June 2018, 27 July 2018, 27 August 2018, 9 November 2018, 15 November 2018, 11 January 2019, 12 June 2019, 7 August 2019, 16 January 2020 and 17 January 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 otherwise defined herein, capitalized term in this announcement shall have the same meaning as given to them in the Circular.

FAILURE TO FULFIL CONDITIONS PRECEDENT II

It was disclosed in the Circular that Completion is subject to the fulfillment of various conditions precedent (the “**Conditions Precedent II**”) on or before the Long Stop Date II, being the date falling within 26 months from the date of the Acquisition Agreement, i.e. 5 February 2020.

* *For identification purposes only*

The Board wishes to announce that the following two Conditions Precedent II had not been fulfilled to the satisfaction of the Purchaser on or before the Long Stop Date II:

1. there being no claim, litigation, arbitration, prosecution or other legal proceedings by any third party or governmental authority and there being no investigation, enquiry or in any proceedings or hearing before any governmental authority against the Guarantors, the Vendor, the Target Group and its business, Nexus Primo or the Lands whether actual or pending, in connection with the transactions contemplated herein; and
2. the consideration for the acquisition of the entire issued share capital in Nexus Primo pursuant to the share sale agreement made between the former shareholders of Nexus Primo and the Target dated 23 October 2017 (as supplemented by the supplemental agreement dated 30 November 2017) be fully settled by the Target.

Apart from the non-fulfillment of the abovementioned two Conditions Precedent II to the satisfaction of the Purchaser, the Vendor has failed to perform its undertaking to appoint the nominee of the Purchaser as director of the Target and Nexus Primo despite the Purchaser's request.

The Purchaser has on 6 February 2020 served notice to the Vendor (the "**Notice**") to request it to cure the abovementioned breaches or non-performances of the conditions of the Acquisition Agreement.

In the event the Vendor fails or refuses to cure the abovementioned breaches or non-performances of the conditions of the Acquisition Agreement within 14 Business Days of service of the Notice, the Purchaser may terminate the Acquisition Agreement. Following the termination of the Acquisition Agreement:

1. all cash payment of the Consideration made by the Purchaser to the Vendor shall be refunded by the Vendor to the Purchaser in cash within fifteen (15) Business Days free of interest;
2. all outstanding Convertible Bonds and Promissory Notes issued by the Company to the Vendor (or its nominees) in payment of the Consideration by the Purchaser shall be forthwith be returned by the Vendor to the Purchaser for cancellation by the Company;
3. any Convertible Bonds already converted into Conversion Shares by the Bondholder(s) shall be refunded by the Vendor to the Purchaser in cash in the amount equivalent to the number of Conversion Shares times the Conversion Price of HK\$0.1323 per Conversion Share (the "**Refund CB Amount**") within fifteen (15) Business Days free of interest; and

4. the Purchaser shall, upon confirming no outstanding amounts owed by the Vendor to the Purchaser (including any damages claimed on the antecedent breach) (the “**No Debt Confirmation**”), return to the Vendor the original share certificate(s), the related instruments of transfer in blank duly signed and undated by the chargor or its nominee(s) and the relevant documents as provided in the Sale Shares Share Charge and NP Share Charge within fourteen (14) Business Days after No Debt Confirmation.

As at the date hereof, the Group has effected made the following payments of the Consideration to the Vendor:

1. cash payment of HK\$8,659,125;
2. the Convertible Bonds issued on diverse dates in the aggregate principal amounts of HK\$190,943,704.90, convertible into 1,443,263,072 Conversion Shares at the Conversion Price; and
3. Promissory Note issued on 12 November 2019 with the principal sum of HK\$19,377,787.50.

As at the date hereof, the Vendor has exercised the Conversion Rights in relation to all the Convertible Bonds issued by the Company to the Vendor and converted into a total of 1,443,263,072 Conversion Shares.

According to the Acquisition Agreement, if the default is caused by the Vendor that leads to the termination of the Acquisition Agreement, the Purchaser shall be entitled to payment of compensation from the Vendor of a sum equivalent to 20% of the Consideration, i.e. Malaysian Ringgit 29,000,000 (equivalent to approximately HK\$53,679,000 at the exchange rate of 100 Malaysian Ringgit to HK\$185.10).

As disclosed in the Circular, the obligations of the Vendor to perform the Acquisition Agreement are secured by the Sale Shares Share Charge and NP Share Charge. The Sale Shares and the NP Shares are being charged to the Purchaser under the Sale Shares Share Charge and NP Share Charge respectively to secure the due and punctual performance and observance of the obligations to refund the Consideration paid to the Vendor upon the termination of the Acquisition Agreement.

As further disclosed in the Circular, as an extra protection to the Company, the obligation of the Vendor to refund the Refund CB Amount is also guaranteed by the Guarantors.

The Company will make further announcement to update the Shareholders and potential investors of the Company on the curing of the abovementioned breaches or non-performances of the conditions of the Acquisition Agreement in compliance with the Listing Rules as and when appropriate.

By order of the Board

ICO Group Limited

Lee Cheong Yuen

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 6 February 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Lee Cheong Yuen, Mr. Chan Kwok Pui and Mr. Tam Wing Yuen; the non-executive Directors of the Company are Mr. Tam Kwok Wah, Ms. Tuon Wai Man and Mr. Tso Hon Sai Bosco; and the independent non-executive Directors of the Company are Dr. Cheung Siu Nang Bruce, Mr. Ko Sebastian Yat Fung and Ms. Kam Man Yi Margaret.