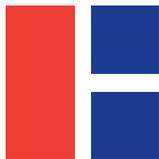


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ICO GROUP LIMITED

揚科集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1460)

**(1) POSITIVE PROFIT ALERT; AND
(2) BUSINESS UPDATE**

This announcement is made by ICO Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

(1) POSITIVE PROFIT ALERT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that based on the preliminary review of the latest unaudited consolidated management accounts of the Group and the information currently available, the Group achieved a turnaround and recorded a profit attributable to the owners of the Company of not less than HK\$80 million for the year ended 31 March 2019 (“**FY2019**”) as compared to a loss attributable to the owners of the Company of approximately HK\$11 million for the year ended 31 March 2018.

Based on the information currently available, the turnaround achieved during FY2019 was mainly attributable to:

- (a) an increase in revenue of the Group by not less than HK\$180 million due to the increase in revenue arising from the IT infrastructure solutions segment and maintenance and support service segment;
- (b) a decrease in staff cost of the Group of not less than HK\$20 million due to the cost saving effect of the Group’s downsizing exercise; and

* For identification purpose only

(c) fair value gain on contingent consideration payables, fair value gain on the derivative component of convertible bonds, and gain on conversion of convertible bonds in aggregate not less than HK\$65 million (the gains were merely results of accounting treatments and do not have any real impacts on the results of the operations and cash flows of the Group).

As the Group is still in the course of finalizing its financial results for FY2019, the Board wishes to remind the Shareholders and potential investors that the information contained in this announcement is only based on information currently available to the Group after preliminary review and assessment of the management accounts of the Group by the management of the Company. The management accounts are subject to finalization and necessary adjustments, and have not been confirmed, audited nor reviewed by the Company's auditor. Details of the financial performance of the Group will be disclosed in the Group's annual results announcement for FY2019 at or before the end of June 2019.

(2) BUSINESS UPDATE

The Board also wishes to inform the Shareholders and potential investors that as at the date of this announcement, the Board received notification from INAX Technology Limited (“INAX”), one of the investee of the Group, that based on the management accounts of INAX for the year ended 30 April 2019, INAX has recorded a significant decrease in profit after tax of not less than 40% when compared to the year ended 30 April 2018.

Based on the above, the Group is expected to recognize a significant further downward fair value change on its investment in INAX since the six months ended 30 September 2018.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
ICO Group Limited
Lee Cheong Yuen

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 May 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. Tuan 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.