

**ICO GROUP LTD:  
POTENTIAL INVESTORS MIGHT LIKE TO  
CROSS THIS ONE OFF THEIR LIST**

There is quite a number of anomalies with regard to the flotation of ICO Group Ltd () (Code: 8140, The Growth Enterprise Market [The **GEM**] of The Stock Exchange of Hongkong Ltd).

Some or all of these anomalies might well put prospective investors on their guard before placing money on the table in order to pick up some of this Company's shares.

These anomalies include:

- Material non-compliance with regard to covenants with the Company's bankers in respect of borrowings;
- Reduced Turnovers and subsequent falling Net Profits in respect of the 36 months, ended March 31, 2014, as well as the likely materially reduced Net Profit in respect of the Current Financial Year; and,
- Management's determination to emptying out of a very large amount of the cash from the Company's coffers just before launching the Company's **Initial Public Offering (IPO)**.

ICO Group launched its IPO on The GEM on March 10, 2015, when it determined to Place 250 million, one-cent Shares at the Placing Price Per Share, ranging from a low of 30 cents to a high of 40 cents.

The reasons for the Placement of Company's Shares on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) are given at Page 166 of the Placing Prospectus:

*'The Placing of the Placing Shares will enhance capital base of our Group and provide our Group with additional working capital to implement the future plans set out in the paragraph headed "Our business strategies" under the section headed "Business" in this prospectus.'*

This is a rather interesting statement because the Placing Prospectus states, at Page 237:

*'Dividends declared by our Group for each of the three years ended 31 March 2012, 2013 and 2014 were approximately HK\$3.5 million, HK\$3.6 million and HK\$15.2 million respectively. On 26 February 2015, our Group declared a dividend of HK\$9,980,000 to our then existing Shareholders. As at the Latest Practicable Date (March 2, 2015), unpaid dividends amounted to approximately HK\$10,205,000 which will be settled by internal resources before Listing.'*

Further, the Net Profits/(Loss) of this Company in respect of the three Financial Years were:

2012 Financial Year	\$HK12,488,000
2013 Financial Year	\$HK12,886,000
2014 Financial Year	(\$HK1,590,000)

(It is noted that, in the Financial Year, ended March 31, 2014, this Company paid out its biggest dividend, ever, to its, then, four shareholders, and that dividend of \$HK15.20 million represented an amount of money that was greater than the Net Profit in respect of the 2013-Year.)\_

### **The Net Proceeds From The IPO**

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