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ALCO HOLDINGS LIMITED

愛高集團有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 00328)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY**

On 5th July 2010, the Purchaser entered into a binding Provisional Agreement with the Vendor for the acquisition of the Property at a consideration of HK\$121,000,000. Pursuant to the terms of the Provisional Agreement, the Purchaser and the Vendor will enter into a formal agreement for the Acquisition on or before 20th July 2010. The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE PROVISIONAL AGREEMENT

On 5th July 2010, the Purchaser entered into a binding Provisional Agreement with the Vendor for the acquisition of the Property.

SUMMARY OF TERMS OF THE PROVISIONAL AGREEMENT

Date of entering: 5th July 2010

Vendor: Chase Good Development Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is an Independent Third Party.

Purchaser: Euroform Enterprise Limited, a wholly-owned subsidiary of the Company, or its nominees.

** for identification purposes only*

Summary of terms: Pursuant to the terms of the Provisional Agreement, the Purchaser will acquire the Property from the Vendor at a consideration of HK\$121,000,000. An initial deposit of HK\$3,000,000 in cash was paid by the Purchaser upon signing of the Provisional Agreement and a further deposit of HK\$9,100,000 in cash will be payable by the Purchaser upon signing of the formal agreement on or before 20th July 2010. The balance of the Consideration, being HK\$108,900,000, will be paid in cash upon Completion, which is scheduled to take place on or before 15th October 2010.

The Property will be delivered with vacant possession upon Completion.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property is a six-storey industrial building located on 9 Lok Yip Road, Fanling, New Territories (Fanling Sheung Shui Town Lot Number 23) with a total gross area of approximately 90,061 square feet. The estimated market rent for the Property is HK\$430,000 per month (i.e. HK\$5,160,000, or a rental yield of approximately 4.26% per annum). The Property will be used by the Group for investment purposes.

The Consideration was arrived at after arm's length negotiation between the Purchaser and the Vendor and by reference to the market value of similar properties in similar locations. The Board believe that the investment will provide a steady income source to the Group, and the Group will also benefit from the growth in value of the Property.

The Acquisition will be funded through internal resources and banking financing, details of which will be further considered and decided by the Group.

The Board are of the view that the terms of acquisition in the Provisional Agreement including the consideration are in normal commercial terms, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

GENERAL

The principal activity of the Group consists of designing, manufacturing and selling consumer electronic products.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) of the Acquisition exceed 5% but are less than 25%, the Acquisition therefore constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the same meanings as set out below:

“Acquisition”	acquisition of the Property by the Purchaser pursuant to the terms of the Provisional Agreement for Sale and Purchase;
“Board”	the Board of Directors;
“Company”	Alco Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Acquisition;
“Consideration”	HK\$121,000,000;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	party(ies) who are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	the whole building, situated on No.9 Lok Yip Road, Fanling, New Territories (Fanling Sheung Shui Town Lot Number 23);
“Provisional Agreement”	the binding provisional agreement for sale and purchase entered into on 5th July 2010 for the Acquisition;
“Purchaser”	Euroform Enterprise Limited, a wholly-owned subsidiary of the Company, or a company nominated by it;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Vendor”	Chase Good Development Limited. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Vendor is an Independent Third Party.

By Order of the Board
LEUNG Kai Ching, Kimen
Chairman

Hong Kong, 6th July 2010

As at the date of this announcement, the executive directors of the Company are Mr. LEUNG Kai Ching, Kimen, Mr. LEUNG Wai Sing, Wilson and Mr. KUOK Kun Man, Andrew. The independent non-executive directors are Mr. WONG Po Yan, The Hon LI Wah Ming, Fred and Mr. LAU Wang Yip, Derrick.