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ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Website: <http://www.alco.com.hk>

(Stock Code: 328)

VOLUNTARY ANNOUNCEMENT – BUSINESS UPDATE

This announcement is made by Alco Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide shareholders and potential investors of the Company with the latest business update of the Group.

Reference to the latest annual report published on 31 July 2023, the Company recorded the total liabilities and the net liabilities as at 31 March 2023 of approximately HK\$1,078.0 million and HK\$775.3 million respectively. Of the total liabilities as at 31 March 2023, the overdue loans from shareholders amounted to approximately HK\$476,190,000, the overdue bank and other borrowings amounted to approximately HK\$190,767,000 and the overdue trade payable amounted to approximately HK\$193,542,000 respectively.

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to provide an update that, from the date of issuance of the annual report to present (the “**Period**”), no liabilities aroused during the period have become overdue. The Company has not received any litigations in respect of the loans from shareholders, while one statutory demand related to the overdue bank and other borrowings claiming approximately HK\$24.8 million (being the principal amount together with interest accrued thereon) against the Company, and one statutory demand related to the overdue trade payable against a wholly owned subsidiary in the Group (the “**Subsidiary**”) claiming approximately HK\$0.4 million (being the principal amount together with interest accrued thereon) were received. The Board has been negotiating settlement plans and attempting to reach an agreement with various creditors.

Summary of legal case are set out in the table below:

Defendant	Number of legal cases	Amount claimed	Action involved
Alco Holdings Limited	1	Approximately HK\$25 million	1 Statutory demand received
Alco Electronics Limited	27	Approximately HK\$95 million	Winding up order received on 28 June 2023
Nexstgo Company Limited	8	Approximately HK\$2 million	1 Statutory demand received, 5 judgements received, 2 hearing in progress

In response to the above statutory demands and legal cases above, the Company has engaged legal counsel to act on behalf of the Company and the Subsidiary and continues its efforts to reach a settlement agreement with the bank and creditor.

Further announcement(s) will be made on any material developments as and when appropriate.

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

By Order of the Board
Alco Holdings Limited
LEI KAM CHAO
Chairman

Hong Kong, 21 August 2023

As at the date of this announcement, the executive directors of the Company are Mr. LEI Kam Chao and Mr. HO Chak Yu. Independent non-executive directors of the Company are Mr. CHU Hoi Kan, Mr. LAM Chi Wing and Mr. TANG Sher Kin.