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ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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

(Stock Code: 328)

SUPPLEMENTAL ANNOUNCEMENT RELATING TO THE USE OF PROCEEDS OF THE 2019 RIGHTS ISSUE

Reference is made to (i) the annual reports of Alco Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the financial years ended 31 March 2019 (the “**2019 Annual Report**”) and 31 March 2020 (the “**2020 Annual Report**”); and (ii) the prospectus (the “**Prospectus**”) in relation to the rights issue (the “**Rights Issue**”) of the Company dated 25 January 2019. The board of directors of the Company (the “**Board**”) would like to supplement the following additional information to the 2019 Annual Report and the 2020 Annual Report.

In February 2019, the Company raised approximately HK\$124 million net proceeds from the Rights Issue (the “**Proceeds**”). The following table sets out the summary of analysis of the use of Proceeds in the period from 20 February 2019 (the first date Proceeds were available for use by the Company) to 31 March 2019 and in the year ended 31 March 2020.

	Proposed use of Proceeds as disclosed in the Prospectus		Proceeds used in the period from 20 February 2019 to 31 March 2019		Proceeds used in the year ended 31 March 2020	
	HK\$ million	Percentage	HK\$ million	Percentage	HK\$ million	Percentage
Development of Notebook PCs	50	40%	5	36%	45	41%
Sales and marketing of Notebook PCs	37	30%	4	28%	33	30%
General working capital	37	30%	5	36%	32	29%
	<u>124</u>	<u>100%</u>	<u>14</u>	<u>100%</u>	<u>110</u>	<u>100%</u>

Among the HK\$124 million Proceeds raised, approximately HK\$14 million Proceeds were used from 20 February 2019 (the first date Proceeds were available for use by the Company) to 31 March 2019. Accordingly, there were approximately HK\$110 million Proceeds carried forward. The HK\$110 million Proceeds brought forward were fully used in the year ended 31 March 2020. There was no difference between the proposed use of Proceeds and the actual use of Proceeds.

The above supplemental information does not affect other information contained in the 2019 Annual Report and the 2020 Annual Report and save as disclosed above, all other information in the 2019 Annual Report and the 2020 Annual Report remains unchanged.

By order of the Board
Alco Holdings Limited
LIU Hoi Keung
Executive Director

Hong Kong, 14 August 2020

As at the date of this announcement, the executive directors of the Company are Mr. LEUNG Wai Sing, Wilson, Mr. LEUNG Kam Fai, Peter and Mr. LIU Hoi Keung. The independent non-executive directors are Mr. LEE Tak Chi, Mr. CHEUNG, Johnson and Mr. CHEUNG Ka Wing.