ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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

(Stock Code: 328)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

Comparison to the corresponding period of last year:

- Revenue increased by HK$128 million or 28%
- Gross loss reduced by HK$13 million or 14%
- Net loss reduced by HK$59 million or 27%
- AV revenue remained similar and notebook revenue increased by 139%
- Reliance on North America reduced. Percentage of revenue in North America decreased from 77% to 59%

The directors of Alco Holdings Limited (the "Company") announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2020, as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2020

		Unaudited Six months ended 30 September	
		2020	2019
	Note	***HK$'000***	*HK$'000*
Revenue	*4*	**589,759**	462,113
Cost of goods sold	*6*	**(666,731)**	(552,017)
Gross loss		**(76,972)**	(89,904)
Other income	*5*	**29,467**	1,697
Selling expenses	*6*	**(50,812)**	(56,034)
Administrative expenses	*6*	**(39,707)**	(59,797)
Other operating expenses	*6*	**(2,809)**	(4,468)
Provision for impairment of right-of-use assets		**(12,065)**	–
Operating loss		**(152,898)**	(208,506)
Finance income		**94**	857
Finance costs		**(5,450)**	(8,182)
Loss before income tax		**(158,254)**	(215,831)
Income tax expense	*7*	**(2)**	(1,194)
Loss for the period		**(158,256)**	(217,025)
Loss for the period attributable to:			
– Equity holders of the Company		**(158,031)**	(216,786)
– Non-controlling interests		**(225)**	(239)
		(158,256)	(217,025)
Loss per share attributable to equity holders of the Company			
– Basic	*8*	**(HK21.9 cents)**	(HK30.0 cents)
– Diluted	*8*	**(HK21.9 cents)**	(HK30.0 cents)
Dividends	*9*	**–**	–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	Unaudited Six months ended 30 September **2020** ***HK$'000***	 2019 *HK$'000*
Loss for the period	**(158,256)**	(217,025)
Other comprehensive loss, net of tax:		
Item that may be reclassified subsequently to profit or loss		
Currency translation differences	**(4,400)**	12,907
Total comprehensive loss for the period	**(162,656)**	(204,118)
Total comprehensive loss for the period attributable to:		
– Equity holders of the Company	**(162,431)**	(203,879)
– Non-controlling interests	**(225)**	(239)
	(162,656)	(204,118)

CONSOLIDATED BALANCE SHEET
As at 30 September 2020

	Note	**Unaudited 30 September 2020** *HK$'000*	Audited 31 March 2020 *HK$'000*
Non-current assets			
Property, plant and equipment		**131,990**	140,223
Investment properties		**82,052**	55,800
Right-of-use assets		**64,456**	65,661
Prepayments, deposits and other receivables	*11*	**45,226**	56,817
		323,724	318,501
Current assets			
Inventories		**745,090**	336,572
Trade and other receivables	*11*	**445,756**	442,155
Other current assets		**459**	459
Current income tax recoverable		**13,041**	13,856
Cash and cash equivalents		**85,509**	104,481
		1,289,855	897,523
Current liabilities			
Trade and other payables	*12*	**491,009**	128,679
Current income tax liabilities		**4,900**	4,961
Lease liabilities		**29,790**	31,050
Bank borrowings		**266,082**	157,370
		791,781	322,060
Net current assets		**498,074**	575,463
Total assets less current liabilities		**821,798**	893,964
Capital and reserves attributable to equity holders of the Company			
Share capital		**72,324**	72,324
Reserves		**455,619**	609,250
		527,943	681,574
Non-controlling interests		**(879)**	(654)
Total equity		**527,064**	680,920
Non-current liabilities			
Other payables	*12*	**5,306**	4,666
Lease liabilities		**45,228**	47,178
Loans from shareholders		**244,200**	161,200
		294,734	213,044
Total equity and non-current liabilities		**821,798**	893,964

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

1. Basis of preparation and accounting policies

These unaudited consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

These consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2020.

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2020, except the Group has adopted certain HKASs and Hong Kong Financial Reporting Standards ("HKFRS") which are mandatory for the financial year beginning 1 April 2020.

2. Changes in accounting policies

The Group has initially adopted the following new and revised HKFRSs for the financial period beginning on or after 1 April 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendment to HKFRS 16	COVID-19-Related Rent Concessions
Amendments to HKAS 1 and HKAS 8	Definition of Material

The application of the new and amendments to HKFRSs in the current period has had no material impact on the amounts reported in these unaudited consolidated financial statements and/or disclosures set out in these unaudited consolidated financial statements.

3. Other information

As disclosed in the Group's annual report Note 2.1(c) for the year ended 31 March 2020, the directors have taken certain plans and measures to mitigate the liquidity pressure, to improve its financial position and to deal with the potential impact of COVID-19. The financial results for the six months ended 30 September 2020 shown improvement compared to corresponding period last year.

In managing the Group's liquidity requirement, the Group monitors and maintains a level of cash and cash equivalents and the availability of funding through credit and banking facilities, as well as funding from Mr. LEUNG Wai Sing, Wilson (the Chairman of the Group) under the deed of funding undertaking entered into between the Group and Mr. LEUNG on 15 June 2020.

There are continuous communications with the Group's principal banks on the Group's performance. Based on our latest communications, we believe the existing banking facilities will continuously be available to the Group.

Subsequent to the period end date, the Group entered into the provisional sale and purchase agreement for disposing of property. The transaction is expected to be completed by end of December 2020 and we will receive a net proceeds of approximately HK$36,480,000 from the disposal. The net proceeds will be used as general working capital for the Group.

To improve the Group's operating performance and alleviate liquidity risk, management will continue to implement measures to improve profitability and cash flow through various initiatives including improving the manufacturing process to reduce production costs, tighten inventory and procurement control to improve working capital requirement, better planning in purchasing to avoid shortage and to negotiate for lower cost of critical components and for better trading terms, and negotiating with its landlord for rental concession to mitigate the impact of COVID-19.

4. Segment information

(a) *Segment analysed by products*

The Group mainly operates in the People's Republic of China (the "PRC"), Taiwan and Hong Kong and is principally engaged in designing, manufacturing and selling of consumer electronic products including AV products and notebook products.

AV products	–	Design, manufacture and sale of consumer electronic products, including audio, video and tablet products
Notebook products	–	Design, manufacture and sale of commercial notebook and personal computers products

The Group's inter-segment transactions mainly consist of sale of assembly parts among subsidiaries. The transactions were entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

	For the six months ended 30 September							
	2020				2019			
	AV products *HK$'000*	**Notebook products** *HK$'000*	**Elimination** *HK$'000*	**Group** *HK$'000*	AV products *HK$'000*	Notebook products *HK$'000*	Elimination *HK$'000*	Group *HK$'000*
Segment revenue								
External sales	**363,321**	**226,438**	**–**	**589,759**	367,356	94,757	–	462,113
Inter-segment sales	**4,537**	**435**	**(4,972)**	**–**	4,881	30,905	(35,786)	–
	367,858	**226,873**	**(4,972)**	**589,759**	372,237	125,662	(35,786)	462,113
Segment results	**(74,553)**	**(78,345)**		**(152,898)**	(105,932)	(102,574)		(208,506)
Finance income				**94**				857
Finance costs				**(5,450)**				(8,182)
Loss before income tax				**(158,254)**				(215,831)
Income tax expense				**(2)**				(1,194)
Loss for the period				**(158,256)**				(217,025)
Loss for the period attributable to								
– Equity holders of the Company				**(158,031)**				(216,786)
– Non-controlling interest				**(225)**				(239)
				(158,256)				(217,025)

(b) Segment analysed by geographical areas

The segment revenue for the six months ended 30 September 2020 and 2019 are as follows:

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
North America	**347,620**	355,319
Asia	**213,312**	97,919
Europe	**28,047**	8,334
Others	**780**	541
	589,759	462,113

The Company is domiciled in the Bermuda. The analysis of revenue by geographical segment is based on the destination to which the shipments are made. Substantially all non-current assets of the Group as at the end of the year are located in Asia.

5. Other income

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Fair value gain on investment properties *(Note 10)*	**26,252**	–
Rental income from investment properties	**1,014**	1,223
Others	**2,201**	474
	29,467	1,697

6. Expenses by nature

Expenses included in cost of goods sold, selling expenses, administrative expenses and other operating expenses are analysed as follows:

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**13,938**	23,334
Depreciation of right-of-use assets	**1,205**	13,291
Employee benefit expenses	**96,815**	109,782
Severance pay	**195**	8,976

7. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits for the period. Corporate income tax on profits generated from subsidiaries operating in the PRC has been calculated at 25% in accordance with the relevant PRC tax law and regulations. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Current income tax		
– PRC corporate income tax	**(2)**	(918)
Deferred income tax expense	**–**	(276)
Income tax expense	**(2)**	(1,194)

8. Loss per share

Basic

Basic loss per share is calculated by dividing the loss for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2020	2019
Loss for the period attributable to equity holders of the Company *(HK$'000)*	**(158,031)**	(216,786)
Weighted average number of ordinary shares in issue	**723,244,650**	723,244,650
Basic loss per share *(HK cents)*	**(21.9)**	(30.0)

Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares during the six months ended 30 September 2020 and 2019. Therefore, the diluted loss per share is the same as the basic loss per share.

9. Dividends

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2020 (2019: Nil).

10. Fair value gain

Subsequent to the period end, in November 2020, Advance Packaging Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party for the disposal of a property in Yuen Long with carrying value of HK$10,627,962 at a consideration of HK$36,880,000. The transaction is scheduled to be completed on 18 December 2020.

The excess of the fair value over the carrying amount was HK$26,252,038 and was recorded in other income as fair value gain for the six months ended 30 September 2020.

11. Trade receivables, prepayments, deposits and other receivables

	30 September 2020	31 March 2020
	HK$'000	*HK$'000*
Non-current		
Prepayments, deposits and other receivables	**47,546**	59,932
Less: Loss allowance	**(2,320)**	(3,115)
	45,226	56,817
Current		
Trade receivables	**407,304**	394,822
Less: Loss allowance	**(7,770)**	(7,770)
Trade receivables, net	**399,534**	387,052
Prepayments, deposits and other receivables	**46,222**	55,103
	445,756	442,155
Total	**490,982**	498,972

The credit terms given to customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

The fair value of the trade and other receivables approximate to their carrying amounts.

The ageing analysis of trade receivables based on shipping terms is as follows:

	30 September 2020	31 March 2020
	HK$'000	*HK$'000*
0 – 30 days	**263,579**	40,999
31 – 60 days	**77,941**	124,568
61 – 90 days	**24,478**	94,733
Over 90 days	**33,536**	126,752
	399,534	387,052

12. Trade and other payables

	30 September 2020 *HK$'000*	31 March 2020 *HK$'000*
Non-current		
Other payables	**5,306**	4,666
Current		
Trade payables	**379,916**	39,637
Other payables and accruals	**109,393**	87,342
Refund liabilities *(Note i)*	**1,700**	1,700
	491,009	128,679
Total	**496,315**	133,345

The fair value of the trade and other payables approximate to their carrying amounts.

(i) When a customer has a right to return product within a given period, the Group recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled. The Group also recognises a right to the returned goods.

The ageing analysis of trade payables based on invoice date is as follows:

	30 September 2020 *HK$'000*	31 March 2020 *HK$'000*
0 – 30 days	**172,120**	23,897
31 – 60 days	**41,663**	5,225
61 – 90 days	**87,216**	4,571
Over 90 days	**78,917**	5,944
	379,916	39,637

MANAGEMENT DISCUSSION AND ANALYSIS

Group results

For the six months ended 30 September 2020, the Group recorded turnover of HK$590 million (2019: HK$462 million) and loss attributable to shareholders of HK$158 million (2019: loss of HK$217 million).

For the period under review, the Group recorded 28% increase in turnover compared with the same period of last year. The increase was mainly due to higher demand in notebooks under the coronavirus (COVID-19) pandemic, especially during the months of July to September. In terms of product segment, sales of notebook products increased over 139 % in terms of revenue, while that of AV products remained steady. However, due to well publicized worldwide shortage of many electronics components, especially those for notebooks and tablets, the Group was forced to abandon certain sales orders (and in some cases had to substitute more expensive versions for cheaper versions that could not be supplied due to lack of parts) during the period under review, which affected revenue and profitability.

The Group's administrative expenses decreased by around 34% to HK$40 million, mainly resulted from costs saving measures that included streamlining of operations, reduction of outside professional expenses, and lowering of travel and exhibition costs. As was the case for many other companies around the world, due to travel restrictions under COVID-19, almost all of the Group's meetings with customers were conducted on-line; at the same time, many exhibitions worldwide were either postponed or cancelled outright. All these resulted in substantial savings in the Group's spending for travel, exhibition, and entertainment. Moreover, wage subsidy provided by The Hong Kong Government under the Anti-epidemic Fund measures also contributed to the decrease in the Group's administrative expenses.

Another factor for the decrease in net loss was the revaluation gain of HK$26 million from the sales of the Group's land holdings in Kam Tin, even though the positive impact of which was offset somewhat by impairment loss of HK$12 million due to right-of-use assets.

The directors do not recommend the payment of an interim dividend (2019: Nil) for the six months ended 30 September 2020.

Review of operation

The COVID-19 pandemic has brought unprecedented challenges to the world. In particular, global demand for notebooks and tablets skyrocketed literally overnight, due to consumers shifting to working and studying from home under lockdown. Notebooks and tablets have become essential devices and consumers have been looking for one device per person instead of one device shared among family members. However, due to the surge in demand for notebooks and tablets worldwide rising multiple folds within a matter of weeks, the supply chains for their critical components (and in some cases even supply chains for normally non-critical components) became unable to cope, resulting in dramatic and multiple folds increase of their costs. In order to maintain momentum and market shares in notebooks and tablets, the Group had to secure supply of critical (as well as in some cases even normally non-critical) components by paying highly inflated market costs, deeply impacting the Group's profitability. Even so, the silver lining is that in terms of quantity and market shares, because of much increased demand worldwide, the Group's notebooks and tablets were accepted and sold through to many more consumers as compared to the same period last year. In fact, in certain countries and cities in the Asia Pacific region, the Group's notebooks achieved almost double-digit market penetration.

While the Group's manufacturing facilities, as well as those of many of the Group's partners, in the PRC had to be closed from January to March 2020 due to lockdown measures mandated by Chinese authorities, they started to resume operation gradually from the beginning of April 2020 and were more or less stabilized from June 2020 onwards. As such, the output of the Group from April to June was affected by the lockdown as a result of supplies and logistics disruption.

At the same time, the China-US trade war had created a significant impact to electronics manufacturers and suppliers around the world. To avoid being affected by trade sanctions, certain electronics manufacturers, especially some of the more prominent ones in China, decided to place procurement orders of critical components (and in particular for semiconductor parts) during the months after Chinese New Year holidays that were multiple times in volume more than their usual consumption. While there are only a handful of large-capacity manufacturers for integrated circuit (IC), chipset solution, and CPU in the market, the sudden surge in procurement volume placed by these Chinese brands (and compounded by high demand caused by work-from-home and study-from-home behavior around the world) totally disrupted the global supply balance of IC, chipset, and CPU which are all core components of the Group's notebook products.

The combined challenges of the COVID-19 pandemic and the China-US trade war created a perfect storm for the supply of components critical to the Group's notebooks and tablets, initially in supply shortages followed by dramatic and exponential rise in prices. Consequently and same as the situation of many notebook and tablet manufacturers around the world, the Group simply could not fulfill all the orders placed in these two quarters; for those orders that could be fulfilled, the Group had to pay much higher market prices for many of the critical components, substantially affecting the Group's bottom line.

While the placement of abnormally large quantity orders for semiconductor parts by some Chinese manufacturers during the last 2 quarters generated tremendous challenges for the Group as a result of broken supply chain for IC, chipset, and CPUs, the literally overnight surge in demand for notebooks and tablets, while created challenges but more importantly also opportunities for the Group.

For example, for the period under review, the sales of the Group's notebooks were particularly strong in some European countries and India, with tens of thousands of consumers choosing AVITA laptops in those markets. Such growth in the popularity of AVITA laptops in these markets resulted in the Group's sales to the USA accounting for 59% of total revenue instead of 77% during the same period last year.

Prospects

The ongoing impact of the coronavirus to the remainder of the financial year is still uncertain. What is certain is that virtually overnight, this once-a-century pandemic changed everything and the life of many people in the world. Furthermore, according to industry opinion, strong demand for notebooks and tablets will persist until the rest of the Group's financial year and well into 2021 or even 2022. After the passing of the pandemic, many companies will need to continue to support and allow employees to work from home, resulting in the consequence that notebooks and tablets will become a necessity rather than a luxury in many homes around the world. It is the intention of the Group to be well prepared to capture any market expansions wherever they may occur.

One of the challenges facing the Group is supply shortages of critical components for notebooks and tablets which resulted in prices for them still remaining high. Consequently, the Group since Oct has started to shift the higher costs to customers by increasing selling prices from on average around 20% to 30%, depending on models and markets.

Apart from and in addition to adjusting selling prices, the Group is also spending a lot of research and development efforts in creating new and unique features for notebooks and tablets, not only for enhancing their functionality but also for boosting their value-for-money appeal to consumers. Benefiting from increased demand for study-from-home and distant/virtual learning, the Group has received a lot of enquiry for LTE enabled devices such as tablets, especially for and from countries where WiFi is not prevalent in private homes. For AV category and to be introduced in 2021, the Group is actively developing a portfolio of Smart Furniture products that incorporate audio, visual, as well as wireless communication features. Following the Group's business model for notebooks and tablets in recent years, these Smart Furniture products will be sold under the Group's own proprietary brand.

With a long history of making world-class quality products for brandname OEM/ODM customers, and a reputation for manufacturing excellence and efficiency as substantiated by AVITA laptops since their first introduction in 2017, the Group has started receiving more and more OEM/ODM enquiries for notebook products in recent months. Apart from and in addition to the industry norm that OEM/ODM orders are typically large in quantity and with more stable demand over a longer period of time, which would definitely help the Group to better cushion fluctuation in production volume and components costs changes, such enquiry is also a solid vote of confidence by the industry in general to the Group's quality, reliability and competitiveness in the manufacturing of notebook products. A success in this sector will open up significant opportunity for the Group.

The COVID-19 pandemic has created new patterns of living for billions of people world-wide, with many of them relying more and more on carrying out tasks and managing businesses remotely. Believing in such mega trend, the Group expects strong demand for notebooks and tablets to continue, at least in 2021 or even into 2022. In order to capture and benefit from this trend, the Group will continue to invest in resources for promoting and developing more variety of notebooks and tablets to suit different price points and different markets. As already emphasized above, the second half of this financial year remains uncertain. However, the Group will continue to take decisive measures and make good use of resources to look for new opportunities, new markets, new customers, and new products under its own proprietary brands. Most importantly, it has always been the goal of the management team to enhance the Group's long term business prospects and to create long-term value for shareholders.

Liquidity and financial resources

The Group's total equity and total equity per share as at 30 September 2020 were HK$527 million (31 March 2020: HK$681 million) and HK$0.73 (31 March 2020: HK$0.94) respectively.

As at 30 September 2020, we had cash and deposits of HK$86 million. After deducting bank borrowings of HK$266 million, we had net bank borrowings of HK$180 million (31 March 2020: net bank borrowings of HK$53 million). In addition, we had loans from shareholders of HK$244 million and lease liability of HK$75 million.

As at 30 September 2020, our inventory was HK$745 million (31 March 2020: HK$337 million). We take a cautious approach to monitor the inventory level especially during this environment with uncertainty.

Trade receivables as at 30 September 2020 were HK$400 million (31 March 2020: HK$387 million). It is our policy to deal with creditworthy customers and to adopt a prudent credit policy, and we have been closely monitoring credit risk.

Trade payables as at 30 September 2020 were HK$380 million (31 March 2020: HK$40 million).

Capital expenditure on fixed assets during the six months ended 30 September 2020 was HK$2 million (2019: HK$5 million). As at 30 September 2020, we had capital commitments contracted but not provided for in respect of property, moulds, plant and machinery and renovation amounting to HK$3,803,000 (31 March 2020: HK$6,870,000).

Due to peg-rate system, we have limited exposure to trade-related foreign exchange risk as substantially all of our sales, purchases and borrowings are denominated in United States dollars and Hong Kong dollars. Adhering to the policy of not engaging in currency speculation, there were no speculative activities during the reporting period.

Employees

As at 30 September 2020, the Group had approximately 1,070 employees in Hong Kong, the PRC and Taiwan. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. We also provide other benefits including medical insurance, provident fund and education subsidies to all eligible staff.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor its subsidiary companies has purchased or sold any of the Company's shares for the six months ended 30 September 2020 and the Company did not redeem any of its shares during the same period.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules for the six months ended 30 September 2020, except with deviation from code provision A.2.1.

Under code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. On 15 June 2018, Mr LEUNG Wai Sing, Wilson succeeded the chairman of the Board and since then he has the combined role of Chairman of the Board and Chief Executive Officer of the Company. The Board believes that this arrangement is beneficial to the Company as Mr LEUNG has considerable industry experience.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry to the directors, all the directors confirmed that they had complied with the required standards as set out in the Model Code and its code of conduct regarding directors' securities transactions with the Company for the six months ended 30 September 2020.

AUDIT COMMITTEE

The interim results of the Group have not been reviewed by external auditors. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the financial statements of the Group for the six months ended 30 September 2020.

The Audit Committee currently comprises three independent non-executive directors of the Company, namely Mr CHEUNG, Johnson, Mr LEE Tak Chi and Mr CHEUNG Ka Wing.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of Alco Holdings Limited at www.alco.com.hk. The 2020 interim report will be despatched to the shareholders of the Company and available on the same websites in due course.

LIST OF DIRECTORS

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

By order of the Board
Alco Holdings Limited
LEUNG Wai Sing, Wilson
Chairman and Chief Executive Officer

Hong Kong, 25 November 2020