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## **ALCO HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

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

**(Stock Code: 328)**

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the review of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a net loss not less than HK\$150 million for the six months ended 30 September 2021. Net loss for the corresponding period last year was approximately HK\$158 million.

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

This announcement is made by Alco Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “**SFO**”).

Based on the review of the unaudited consolidated management accounts of the Group and the information currently available to the board of directors of the Company (the “**Board**”), the Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a net loss not less than HK\$150 million for the six months ended 30 September 2021. Net loss for the corresponding period last year was approximately HK\$158 million.

The expected net loss of the Group was mainly driven by:

- COVID-19 led to global supply shortage of some critical components during the period under review, which in turn led to substantial increase in the costs of components.
- Because of global supply shortage, some vendors were not able to deliver critical parts in time and we were forced to abandon certain sales orders during the period under review, which in turn affected our revenue and profitability.
- COVID-19 led to global surge of freight and cargo charges during the period under review.
- The Group continued existing strategy during the period under review, to focus on self-branded computer products and minimize traditional AV products production.
- In order to continue and further the momentum of brand recognition, considerable product research and development, advertising and promotion expenses were spent during the period under review.
- Approximately HK\$26 million fair value gain on disposal of property was recorded during the same period last year. No one-off gain in similar magnitude during the period under review.

The information contained in this announcement is only based on the information currently available to the Board, including the preliminary review of the unaudited consolidated management accounts for the six months ended 30 September 2021 of the Group, which has not been audited or reviewed by the auditors and the audit committee of the Company. The interim results of the Company for the six months ended 30 September 2021 will be announced on 25 November 2021.

**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**  
**LEUNG Wai Sing, Wilson**  
*Chairman and Chief Executive Officer*

Hong Kong, 18 November 2021

*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. YIU Wang Tsun. The independent non-executive directors are Mr. LEE Tak Chi, Mr. CHEUNG, Johnson and Mr. WU Zhi-Ling.*