
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Alco Holdings Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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

(Stock Code: 328)

**(1) RE-ELECTION OF DIRECTORS;
(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(3) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2022 Annual General Meeting of Alco Holdings Limited to be held at Room 2, level 11, Nina Hotel Tsuen Wan West, 8 Yeung Uk Road Tsuen Wan, New Territories, Hong Kong, on Friday, 30 September 2022 at 11:00 a.m. is appended to this circular.

If you do not propose to attend the Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company Secretary at the Company's principal place of business in Hong Kong at 11/F, Metropole Square, 2 On Yiu Street, Sha Tin, New Territories, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Meeting or at any adjourned meeting should you so wish.

PRECAUTIONARY MEASURES FOR THE AGM

Please see page ii of this circular for measures being taken to prevent and control the spread of the Novel Coronavirus (COVID-19) at the AGM, including:

- compulsory body temperature check
- wearing of surgical face masks
- no provision of drinks, refreshments or souvenirs

DUE TO THE CONSTANTLY EVOLVING COVID-19 PANDEMIC SITUATION, THE COMPANY MAY BE REQUIRED TO CHANGE AGM ARRANGEMENTS AT SHORT NOTICE. SHAREHOLDERS SHOULD CHECK THE COMPANY'S WEBSITE FOR FUTURE ANNOUNCEMENTS AND UPDATES ON THE AGM ARRANGEMENTS.

31 August 2022

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

The holding of the AGM in order to comply with the Listing Rules and the Articles of Association could potentially create a significant risk in terms of the spread of the novel coronavirus disease (the “COVID-19”) pandemic because of large crowds coming together.

To reduce the risk of spreading the COVID-19 pandemic and for the health and safety of the attendees of the AGM, the Company wishes to remind the Shareholders and their proxies as follows:

No attendance

Those individual Shareholders who have any symptoms of an upper respiratory system disease or are under any quarantine requirements are advised not to attend the AGM in person.

Not later than 48 hours before the time of the AGM

- (i) For the health and safety of the Shareholders, the Company would like to encourage the Shareholders to exercise their right to vote at the AGM by appointing the chairman of the AGM (the “**Chairman**”) as their proxy instead of attending the AGM in person. Completion and delivery of the proxy form will not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof should they subsequently so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked. Shareholders may appoint the Chairman to attend and vote on their behalf by completing and depositing the forms of proxy enclosed with this circular with the Company’s branch share registrar and transfer office in Hong Kong, whose address is stated below:

Tricor Abacus Limited
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Telephone Number: (852) 2980 1333
Facsimile number: (852) 2810 8185

- (ii) Shareholders may send their questions in connection with the proposed resolutions stated in the Notice by post to the Company Secretary of the Company at 11/F, Metropole Square, 2 On Yiu Street, Sha Tin, New Territories, Hong Kong and by email to investor.enquiry@alco.com.hk. If considered appropriate by the Directors at their absolute discretion, the questions will be answered firstly by the Chairman or other Directors present thereat on the floor and then answered in writing to the Shareholders concerned.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

At the venue of the AGM

- (i) The Company will take the body temperature of the intended attendees and refuse entry of those with a temperature of 37.1 degree Celsius or above.
- (ii) Attendees are requested to observe good personal hygiene at all times at the AGM venue and alcohol rubs or hand sanitiser will be provided for use.
- (iii) Attendees must wear face-masks throughout the AGM and sit at a distance from other attendees and those not wearing face-masks may be denied entry to the AGM venue. Please note that no masks will be provided at the AGM venue and attendees should bring and wear their own masks.
- (iv) No drinks, refreshments or souvenirs will be provided.
- (v) Attendees who do not comply with the precautionary measures (i) to (iii) above or been found to have the symptom(s) of an upper respiratory system disease or be obeying a quarantine order may be denied entry to the AGM venue at the absolute discretion of the Company as permitted by law.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:-

“AGM”	the annual general meeting of the Company to be held on Friday, 30 September 2022 at 11:00 a.m. and any adjournment thereof
“Benchmarked Price”	the price which is higher of: <ul style="list-style-type: none">(i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; and(ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earliest of:<ul style="list-style-type: none">(a) the date of signing of the agreement to which the transaction relates;(b) the date on which the relevant transaction is announced; and(c) the date on which the price of the Shares to be issued pursuant to the transaction is fixed.
“Board”	the board of Directors of the Company
“Bye-laws”	the Bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Alco Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company

DEFINITIONS

“General Mandates”	the Share Issue Mandate and the Share Repurchase Mandate (as defined in the Letter from the Chairman), approvals of which are to be sought at the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the proposed increase in authorised share capital of the Company from HK\$80,000,000 (divided into 800,000,000 Shares) to HK\$300,000,000 (divided into 3,000,000,000 Shares) by the creation of an additional 2,200,000,000 Shares
“Latest Practicable Date”	26 August 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of par value HK\$0.10 each in the capital of the Company
“Share Buy Back Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their own securities on the Stock Exchange
“Shareholder(s)”	registered holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Codes on Takeovers and Mergers

LETTER FROM THE CHAIRMAN



ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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

(Stock Code: 328)

Executive Directors:

Mr. Lei Kam Chao (*Chairman*)

Mr. Chung Hau Yeung

Mr. Yip Wing Shing

Non-executive Director:

Ms. Hong Ting

Independent Non-executive Directors:

Ms. Choi Ka Ying

Mr. Lam Chi Wing

Mr. Tang Sher Kin

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal place of business

and head office:

11/F, Metropole Square

2 On Yiu Street

Sha Tin

New Territories

Hong Kong

31 August 2022

To the Shareholders

Dear Sir or Madam,

- (1) RE-ELECTION OF DIRECTORS;
(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(3) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information on the resolutions relating to (i) re-election of Directors; (ii) the proposed Increase in Authorised Share Capital; and (iii) the grant of the General Mandates to issue and repurchase Shares at the AGM.

LETTER FROM THE CHAIRMAN

RE-ELECTION OF DIRECTORS

The Board currently consists of seven Directors, namely Mr. Chung Hau Yeung, Mr. Lei Kam Chao, Mr. Yip Wing Shing, Ms. Hong Ting, Ms. Choi Ka Ying, Mr. Lam Chi Wing and Mr. Tang Sher Kin.

Pursuant to Bye-law 87(1) of the Bye-laws, at each AGM, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to one-third) shall retire from office by rotation provided that notwithstanding anything herein, the chairman of the Board shall not, whilst holding such office, be subject to such retirement by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Pursuant to Bye-law 86(2) of the Bye-laws, subject to authorisation by the members in general meeting, the Directors shall (until and unless such authorization is revoked) have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting. Any Directors so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting.

Biographical details, as at the Latest Practicable Date, of the retiring Directors are set out in Appendix I to this circular.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$80,000,000 divided into 800,000,000 Shares, of which 723,244,650 Shares were in issue.

LETTER FROM THE CHAIRMAN

In order to (i) ensure that the Company has sufficient authorised but unissued share capital for allotment and issue of 144,648,930 Shares pursuant to the general mandate granted by the Shareholders in the forthcoming AGM; (ii) accommodate future expansion and development of the Group; and (iii) to provide the Company with greater flexibility to raise funds by allotting and issuing Shares in the future as and when necessary, the Board proposes to increase the authorised share capital of the Company from HK\$80,000,000 divided into 800,000,000 Shares to HK\$300,000,000 divided into 3,000,000,000 Shares by the creation of an additional 2,200,000,000 Shares.

Upon the Increase in Authorised Share Capital becoming effective and assuming no Shares are issued or repurchased from the Latest Practicable Date up to the date of the AGM to be convened on Friday, 30 September 2022, the authorised share capital of the Company will be HK\$300,000,000 divided into 3,000,000,000 Shares, with 723,244,650 Shares in issue and 2,276,755,350 Shares authorised but unissued. The new Shares authorised to be allotted and issued by the Company shall rank *pari passu* with the existing Shares upon issue.

As at the Latest Practicable Date, the Board had no present intention to issue any part of the proposed increased authorised share capital of the Company.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the AGM. The Board is of the view that the Increase in Authorised Share Capital will provide flexibility to the Company for future investment opportunities and facilitate the Company in determining its future business plan and development, and is therefore in the interests of the Company and the Shareholders as a whole.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all the powers of the Company to allot, issue and deal with new Shares up to an amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant resolution (the “Share Issue Mandate”) provided that, in any event, any Shares to be allotted and issued pursuant to this general mandate shall not be allotted and issued at a discount of 5% or more to the Benchmarked Price of the Shares. As at the Latest Practicable Date, the issued share capital of the Company comprised 723,244,650 fully paid-up Shares. Assuming that there is no issuance of Shares or any repurchase of Shares from the Latest Practicable Date up to the date of the passing of the relevant resolution, up to a maximum of 144,648,930 Shares representing 20% of the issued share capital of the Company as at the date of passing of the relevant resolution may be issued.

LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also be proposed to grant to the Directors a general mandate to exercise the powers of the Company to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution (the “Share Repurchase Mandate”). An explanatory statement as required under the Share Buy Back Rules, giving certain information regarding the Share Repurchase Mandate, is set out in the Appendix II to this circular.

RECOMMENDATION

The Directors consider that the re-election of Directors, the proposed Increase in Authorised Share Capital, the grant of the General Mandates to issue and repurchase Shares at the AGM are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the resolutions to be proposed at the AGM for the approval of the above matters.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I, II and III to this circular.

Yours faithfully
On behalf of the Board
Alco Holdings Limited
LEI Kam Chao
Chairman

Mr. Chung Hau Yeung, Mr. Lei Kam Chao, Mr. Yip Wing Shing, Ms. Hong Ting, Ms. Choi Ka Ying, Mr. Lam Chi Wing and Mr. Tang Sher Kin will retire from office by rotation at the AGM pursuant to Bye-laws 87(1) and 86(2) of the Bye-laws, and will offer themselves for re-election.

Details of the Directors proposed to be re-elected at the forthcoming AGM are set out as follows:

EXECUTIVE DIRECTOR

Mr. CHUNG Hau Yeung, aged 52, was appointed as an executive director of the Company on 24 January 2022.

Mr. Chung joined the Group in 2016 as chief executive officer of Nexstgo Company Limited (“NEXSTGO”), a wholly owned subsidiary of the Company carrying on the business of notebook trading. On 28 December 2021, he was appointed as acting chief executive officer of the Company. He has over 28 years of experience in technology, IT, mobile and consumer electronics sectors. Prior to joining NEXSTGO, Mr. Chung held various senior management positions at Lenovo HK, Samsung Electronics HK Co. Ltd., Sony Corporation of HK Ltd., and Sony Marketing Asia Pacific. He holds an executive master of business administration degree from The University of Western Ontario, Canada. He is the President of the Hong Kong Information Technology Federation, a fellow member (FCIM) of the Chartered Institute of Marketing (UK) and a Chartered Marketer.

Mr. Chung is one of the members of the Advisory Committee on Graduate Employment of Hong Kong Baptist University (“HKBU”), Programme Advisor of MScGMM (Master of Science in Global Marketing Management) and Internationalization Advisory Committee of HKBU School of Business. He is also a member of the General Committee of the Hong Kong Exporters Association which facilitates Hong Kong as a smart innovation centre in the world. In 2020, he was awarded with the Outstanding Entrepreneur Award from CAPITAL Magazine recognizing his innovation and excellent entrepreneurship.

Mr. Chung has entered into a service contract with the Company for a term of three years in relation to his appointment as an executive director of the Company, subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. Pursuant to the employment agreement in relation to Mr. Chung’s position as the chief executive officer of NEXSTGO, Mr. Chung is entitled to an annual salary of HK\$2,600,000, which was determined with reference to his responsibilities and performance, remuneration benchmark in the industry as well as prevailing market conditions. Mr. Chung will not receive any additional fee for his service as the executive director of the Company.

Save as disclosed above, Mr. Chung does not hold any other position in the Company or its subsidiaries nor any other directorship in other listed public company in Hong Kong or overseas in the last three years prior to the Latest Practicable Date. He does not have any relationships with any Directors, senior management, substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Further, Mr. Chung does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

Save as disclosed above, there was no matter relating to the re-election of Mr. Chung that needs to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to any requirements of rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. LEI Kam Chao, aged 66, was appointed as the chairman of the Board and an executive director of the Company with effect from 9 August 2022.

Mr. Lei has over 40 years of business experience. He was an executive director of Diamond Square Investment & Management Company Limited, a company incorporated in Hong Kong, and was primarily responsible for the overall management and supervision of the company's resources and administrative functions. Mr. Lei had been the executive director and vice chairman of Century Entertainment International Holdings Limited (formerly known as Amax Holdings Limited) (stock code: 959), however, Mr. Lei does not hold any position in any listed companies at present. In addition, Mr. Lei is also the President Honorario of MaKuoc-Mio-Macau (澳門媽閣廟) Development Committee and the President Honorario of Macau Yacht Club. In general, Mr. Lei has extensive experiences in business and as an executive director and vice chairman of listed company, and he is also active in public benefit activities. Save as disclosed above, Mr. Lei does not hold any other directorship in the last three years in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas preceding the date of this circular. In addition, he does not hold any other positions with the Company or any of its subsidiaries.

Mr. Lei has entered into a service contract with the Company for a term of three years in relation to his appointment as the chairman of the Board and an executive director of the Company, subject to retirement by rotation and reelection at annual general meeting in accordance with the Bye-laws of the Company. He is entitled to a director's remuneration of HK\$1,200,000 per annum and a discretionary performance bonus with reference to his responsibilities and performance, remuneration benchmark in the industry as well as prevailing market conditions.

Save as disclosed above, Mr. Lei does not hold any other position in the Company or its subsidiaries nor any other directorship in other listed public company in Hong Kong or overseas in the last three years prior to the Latest Practicable Date. He does not have any relationships with any Directors, senior management, substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Further, Mr. Lei does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

Save as disclosed above, there was no matter relating to the re-election of Mr. Lei that needs to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to any requirements of rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. YIP Wing Shing, *S.B.S., M.H., J.P.*, aged 64, was appointed as an executive director of the Company on 24 January 2022.

Mr. Yip joined the Group in 1973. He is the General Manager of Alco Electronics Dongguan Limited, a wholly owned subsidiary of the Company. Mr. Yip oversees the whole operation of Dongguan factory. He has over 40 years of experience in the field of consumer electronic products. During his past years in the Group, he has been in charge of the logistic and material planning.

Mr. Yip has entered into a service contract with the Company for a term of three years in relation to his appointment as an executive director of the Company, subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. Pursuant to the employment agreement in relation to Mr. YIP's position as the General Manager of Alco Electronics Dongguan Limited, Mr. YIP is entitled to an annual salary of HK\$1,158,300, which was determined with reference to his responsibilities and performance, remuneration benchmark in the industry as well as prevailing market conditions. Mr. Yip will not receive any additional fee for his service as the executive director of the Company.

Save as disclosed above, Mr. Yip does not hold any other position in the Company or its subsidiaries nor any other directorship in other listed public company in Hong Kong or overseas in the last three years prior to the Latest Practicable Date. He does not have any relationships with any Directors, senior management, substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Further, Mr. Yip does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

Save as disclosed above, there was no matter relating to the re-election of Mr. Yip that needs to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to any requirements of rules 13.51(2)(h) to (v) of the Listing Rules.

NON-EXECUTIVE DIRECTOR

Ms. HONG Ting, aged 35, was appointed as a non-executive director of the Company on 16 June 2022.

Ms. Hong obtained a Bachelor of Business degree from The Chinese University of Hong Kong in 2008. She is a fellow member of the Hong Kong Institute of Certified Public Accountants and a Certified Public Accountant (Practising) in Hong Kong. She worked for an international audit firm and she has over 14 years of experience in accounting, auditing, taxation and financial consulting. She has experience in performing audits for listed entities and multinational corporations. She has also been actively handling the reporting of major transactions of clients such as initial public offerings projects, very substantial acquisition transactions, very substantial disposal transactions, right issues etc. The industries of her clients include property development, manufacturing and retailing, natural resources mining and trading, generation of natural resources, generation and distribution of natural gases, generation and distribution of electricity and power, operation of wind farm, media and entertainment services, to list a few.

In addition, Ms. Hong is familiar with the Financial Reporting Standards, Listing Rules and Companies Ordinance. She is experienced in Merger and Acquisition, Initial Public Offerings procedures and requirements including the review of the internal controls and performing due diligence.

Ms. Hong has signed an appointment letter with the Company for a term of three years in relation to her appointment as a non-executive director, subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. She is entitled to a director fee of HK\$40,000 per month with reference to her responsibilities and performance, remuneration benchmark in the industry as well as prevailing market conditions.

Save as disclosed above, Ms. Hong does not hold any other position in the Company or its subsidiaries nor any other directorship in other listed public company in Hong Kong or overseas in the last three years prior to the Latest Practicable Date. She does not have any relationships with any Directors, senior management, substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Further, Ms. Hong does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

Save as disclosed above, there was no matter relating to the re-election of Ms. Hong that needs to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to any requirements of rules 13.51(2)(h) to (v) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. CHOI Ka Ying, aged 37, was appointed as an independent non-executive director of the Company, the chairman of audit committee of the Company and a member of each of the nomination committee and the remuneration committee of the Company on 16 June 2022.

Ms. Choi has over 16 years of experience in accounting, auditing and financial management and has worked for an international audit firm. She obtained a Bachelor of Business degree in Hong Kong in 2006. She is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. She is currently an independent non-executive director of State Energy Group International Holdings Limited, a company listed on the Stock Exchange (stock code: 918). Ms. Choi is also the chief financial officer and the company secretary of Sino Golf Holdings Limited, a company listed on the Stock Exchange (stock code: 361).

Ms. Choi has signed an appointment letter with the Company for a term of three years in relation to her appointment as an independent non-executive director, subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. She is entitled to a director fee of HK\$15,000 per month with reference to her responsibilities and performance, remuneration benchmark in the industry as well as prevailing market conditions.

Save as disclosed above, Ms. Choi does not hold any other position in the Company or its subsidiaries nor any other directorship in other listed public company in Hong Kong or overseas in the last three years prior to the Latest Practicable Date. She does not have any relationships with any Directors, senior management, substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Further, Ms. Choi does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

Save as disclosed above, there was no matter relating to the re-election of Ms. Choi that needs to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to any requirements of rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. LAM Chi Wing, aged 42, was appointed as an independent non-executive director of the Company, the chairman of nomination committee of the Company and a member of each of the audit committee and the remuneration committee of the Company on 16 June 2022.

Mr. Lam obtained a Bachelor of Business Administration degree in Accounting and Finance at the University of Hong Kong in 2003, a Master of Science degree in Knowledge Management at the Hong Kong Polytechnic University in 2006 and a Master of Business Administration degree at the Chinese University of Hong Kong in 2010. Mr. Lam joined Li & Fung Group in September 2003, where he served as the Group Chief Representative and General Manager, Southern China of Li & Fung Development (China) Limited prior to his departure in July 2015. Mr. Lam is a member of the Twelfth Guangdong Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十二屆廣東省委員) and the Eleventh & Twelfth Zhongshan Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十一屆、十二屆中山市委員). Mr. Lam served as a part-time member of the Central Policy Unit of the HK Government from 2011 to 2012, and currently serves as an advisory committee of the Sustainable Agricultural Development Fund of the HK Government, and a committee member of the Appeal Panel (Housing) of the HK Government. Mr. Lam is currently the vice chairman of the Guangdong Society of Commercial Economy (廣東省商業經濟學會) and an Adjunct Professor at the School of Business of the Renmin University of China (中國人民大學商學院).

From July 2020 to December 2020, Mr. Lam was an Executive Director of Bonjour Holdings Limited (stock code: 653) listed on the Main Board of the Hong Kong Stock Exchange. Mr. Lam is currently an independent non-executive director of Wai Hung Group Holdings Limited, a company listed on the Stock Exchange (stock code: 3321) and Aidigong Maternal & Child Health Limited, a company listed on the Stock Exchange (stock code: 0286).

Mr. Lam has signed an appointment letter with the Company for a term of three years in relation to his appointment as an independent non-executive director, subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. He is entitled to a director fee of HK\$15,000 per month with reference to his responsibilities and performance, remuneration benchmark in the industry as well as prevailing market conditions.

Save as disclosed above, Mr. Lam does not hold any other position in the Company or its subsidiaries nor any other directorship in other listed public company in Hong Kong or overseas in the last three years prior to the Latest Practicable Date. He does not have any relationships with any Directors, senior management, substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Further, Mr. Lam does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

Save as disclosed above, there was no matter relating to the re-election of Mr. Lam that needs to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to any requirements of rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. TANG Sher Kin, aged 52, was appointed as an independent non-executive director of the Company, the chairman of remuneration committee of the Company and a member of each of the audit committee and the nomination committee of the Company on 16 June 2022.

Mr. Tang has about 27 years of experience in engineering industry and project management. He obtained a bachelor's degree of engineering in mechanical engineering from the Oxford Polytechnic (now known as the Oxford Brookes University) in the United Kingdom in July 1992 and a master's degree of arts in global business management from the City University of Hong Kong in November 2006. He was admitted as a chartered engineer of the Engineering Council in December 2004, a registered professional engineer of Engineer Registration Board in April 2009, a BEAM professional of the Hong Kong Green Building Council in July 2010 and a registered energy assessor of the Electrical and Mechanical Services Department of the Government in August 2012. He is currently a fellow of The Hong Kong Institution of Engineers in five disciplines including (i) building services; (ii) control, automation and instrumentation; (iii) environmental; (iv) energy; and (v) mechanical. He has been a member of the Innovation and Technology Fund Research Projects Assessment Panel for two years with effect from 1 January 2021.

Mr. Tang is currently an independent non-executive director of Kwong Luen Engineering Holdings Limited, a company listed on the Stock Exchange (stock code: 1413).

Mr. Tang has signed an appointment letter with the Company for a term of three years in relation to his appointment as an independent non-executive director, subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. He is entitled to a director fee of HK\$15,000 per month with reference to his responsibilities and performance, remuneration benchmark in the industry as well as prevailing market conditions.

Save as disclosed above, Mr. Tang does not hold any other position in the Company or its subsidiaries nor any other directorship in other listed public company in Hong Kong or overseas in the last three years prior to the Latest Practicable Date. He does not have any relationships with any Directors, senior management, substantial or controlling shareholders (as defined under the Listing Rules) of the Company.

Further, Mr. Tang does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

Save as disclosed above, there was no matter relating to the re-election of Mr. Tang that needs to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to any requirements of rules 13.51(2)(h) to (v) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Share Buy Back Rules, to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 723,244,650 fully paid-up Shares. Subject to the passing of the resolution at the AGM granting the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company would be allowed to repurchase a maximum of 72,324,465 Shares representing 10% of the Shares in issue as at the date of the AGM.

The Share Repurchase Mandate may continue in force until the earliest of: (i) the conclusion of the next annual general meeting of the Company for the year of 2023; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and (iii) the revocation or variation of the Share Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors consider that the Share Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws, the laws of Bermuda and any other applicable laws. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of the funds of the Company otherwise available for dividend, or distribution or out of the proceeds of a fresh issue of Shares made for the purposes of the repurchase and the premium, if any, payable on the repurchase, may only be provided for out of the funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company before the Shares are repurchased. It is envisaged that the Company would derive the funds from such sources.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31 March 2022 in the event that the proposed repurchases of shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months and in the current month up to the Latest Practicable Date were as follows:–

Month	Highest Traded price <i>HK\$</i>	Lowest Traded price <i>HK\$</i>
2021		
July	0.255	0.220
August	0.270	0.228
September	0.285	0.245
October	0.275	0.216
November	0.230	0.183
December	0.230	0.171
2022		
January	0.170	0.126
February	0.146	0.112
March	0.119	0.070
April	0.155	0.084
May	0.199	0.127
June	0.410	0.066
July	0.130	0.049
August (up to the Latest Practicable Date)	0.099	0.039

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda and as permitted by the regulations set out in the memorandum of association and the Bye-laws of the Company.

6. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Share Repurchase Mandate if such is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Share Repurchase Mandate is approved by the Shareholders.

7. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. LEUNG Wai Sing, Wilson (deceased) was interested in approximately 10.61% of the issued share capital of the Company. On the basis that no further Shares are issued or repurchased and in the event that the Share Repurchase Mandate is exercised in full, the interest of Mr. LEUNG Wai Sing, Wilson (deceased) in the issued share capital of the Company will be increased to approximately 11.78%. Such increase is not currently expected to give rise to any obligation to make a mandatory general offer under rule 26 of the Takeovers Code.

Save as disclosed above and based on the information known to date, the Directors are not aware of any consequences which may arise under the Takeovers Code even if the Share Repurchase Mandate is exercised in full.

In the event that the Share Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25% of the issued share capital of the Company.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any Shares on the Stock Exchange in the six months preceding the Latest Practicable Date.

Pursuant to the Bye-laws of the Company, the procedures of voting by poll on the resolutions to be put forth for Shareholders' approval at the AGM are as follows:

According to Bye-law 66, at any general meeting, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is required under the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

NOTICE OF ANNUAL GENERAL MEETING



ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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

(Stock Code: 328)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Alco Holdings Limited will be held at Room 2, level 11, Nina Hotel Tsuen Wan West, 8 Yeung Uk Road Tsuen Wan, New Territories, Hong Kong, on Friday, 30 September 2022 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and the auditor for the year ended 31 March 2022;
2. To re-elect Directors and to authorize the Board to fix their remuneration;
3. To appoint Auditor and to authorize the Board to fix the Auditor's remuneration;
4. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (“Shares”) and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power during or after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined); or
 - (ii) an issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company as at the date of this resolution carrying a right to subscribe for or purchase Shares; or
 - (iii) an issue of Shares upon the exercise of the subscription rights under the share option scheme of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution, provided that any Shares to be allotted and issued pursuant to this general mandate shall not be allotted and issued at a discount of 5% or more to the Benchmarked Price (as hereinafter defined) of the Shares, and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors of the Company to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).

“**Benchmarked Price**” shall be a price which is the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; and
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earliest of:
 - (a) the date of signing of the agreement to which the transaction relates;
 - (b) the date on which the relevant transaction is announced; and
 - (c) the date on which the price of the Shares to be issued pursuant to the transaction is fixed.”

NOTICE OF ANNUAL GENERAL MEETING

5. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“**THAT:**

- (a) the Directors be and are hereby granted an unconditional general mandate to repurchase on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), or any other stock exchange on which the shares of HK\$0.10 each in the capital of the Company (“Shares”) may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, securities in the Company and that the exercise by the Directors of all powers of the Company to repurchase the Shares during the Relevant Period (as hereinafter defined), subject to and in accordance with all applicable laws and the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution; and
- (c) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“**THAT:**

- (a) the authorised share capital of the Company be and is hereby increased from HK\$80,000,000 divided into 800,000,000 Shares of HK\$0.1 each (the “Shares”) to HK\$300,000,000 divided into 3,000,000,000 Shares by the creation of an additional 2,200,000,000 Shares, and that each such new Share, upon issue and fully paid, shall rank pari passu in all respects with the existing issued Shares (the “Increase in Authorised Share Capital”); and
- (b) any one or more Directors be and is/are hereby authorised to take such actions, do all such acts and things and execute all such further documents or deeds as he/they may, in his/their absolute discretion, consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Increase in Authorised Share Capital.”

By order of the Board
Alco Holdings Limited
LEI Kam Chao
Chairman

Hong Kong, 31 August 2022

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. Proxy forms must be lodged with the Company Secretary at the Company's principal place of business in Hong Kong at 11/F, Metropole Square, 2 On Yiu Street, Sha Tin, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
2. The Transfer Books and Register of Members of the Company will be closed from Tuesday, 27 September 2022 to Friday, 30 September 2022, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 26 September 2022.
3. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.