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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 SHAREHOLDERS' AGREEMENT**

Reference is made to the circular of Alco Holdings Limited (together with its subsidiaries, the “**Group**”) dated 17 March 2023 and announcement dated 19 April 2023 which included a shareholders’ agreement of one of the subsidiary of Alco Holdings Limited dated 26 September 2022 (“**Shareholders’ Agreement**”) entered into by a wholly owned subsidiary of Alco Holdings Limited namely Nexstgo Link Company Limited (“**Nexstgo Link**”), a former sales agent of the subsidiary of Alco Holdings Limited namely Mr. Wong Wing Chun (“**Mr. Wong**”) and an investor namely Jasmy Incorporated (“**Jasmy**”) which specialize in blockchain technology and cryptocurrency applications, in relation to, among other things, the cooperation and share structure between shareholders. Unless otherwise defined, capitalised terms used in this announcement shall have the meanings as those defined in the Circular and the Shareholders’ Agreement.

Alco Holdings Limited would like to clarify and supplement with further details of the Shareholders’ Agreement and the background and structure of Avita Tech (the “**Company**”) on the following:

Alco Holdings Limited is in progress to discuss with Jasmy and Mr. Wong to (i) remove the phrase of “take over the business” of Nexstgo Company Limited, and (ii) clarify the terms in relation to the board composition of Avita Tech and the casting vote of Avita Tech’s chairman. The final wordings are subject to further discussion and arrival of consent.

## SUMMARY OF POTENTIAL AMENDMENT IN DISCUSSION

The Clause 4.1 under Section “**4. BUSINESS AND MANAGEMENT**”

*“4.1 The Company shall carry on the business (the “Business”) of production, research and development, marketing and sales in respect of product series which ranges from computers, notebook, Internet-of-Things (IOT) devices and consumer electronics and related accessories under brand names including but not limited to “AVITA” and, subject to licensing, “VAIO”. These businesses will be executed by the Company taking over the business from Nexstgo Company Limited.”*

is deleted entirely and replaced with the following:

4.1 The Company shall carry on the business (the “Business”) of design, research and development, sales and marketing in respect of product series which ranges from computers, notebook, Internet-of-Things (IOT) devices with web 3.0 technology and consumer electronics and related accessories under brand names including but not limited to “AVITA” and, subject to licensing, “VAIO”.

The Clause 8.7 under Section “**8. BOARD OF DIRECTORS**”

*“8.7 Only a Shareholder B Director shall be appointed as the chairman of any meeting of the Board (the “Chairman”). If the Chairman is not present at any Board meeting, any of the Shareholders B Director may appoint any one of them to act as Chairman for the purpose of such meeting. In case of unresolved issues, the Chairman shall have a second or casting vote.”*

is deleted entirely and replaced with the following:

8.7 The chairman of the Company (the “Chairman”) shall be appointed by Shareholders’ meeting. The Chairman shall preside as chairman at any meeting of the Board, which shall remain in effect without change until further notice. If the Chairman is not present at any Board meeting, any of the Director may appoint any one of them to act as Chairman for the purpose of such meeting.

The Clause 9.4 under Section “**9. SHAREHOLDERS’ MEETING**”

*9.4 The Chairman shall be elected as the chairman for the Shareholders’ meeting at the commencement of each such meeting. Subject to Clause 10.1, Shareholder B present in person or by proxy shall have a second or casting vote in the event of an equality of votes.*

is deleted entirely and replaced with the following:

9.4 The Chairman shall be elected as the chairman for the Shareholders’ meeting at the commencement of each such meeting.

## THE EFFECT OF THE CHANGE OF THE BOARD COMPOSITION OF AVITA TECH AND CASTING VOTE

Pursuant to the above potential amendments, the composition of the board of Avita Tech will remain unchanged. However, the appointment of the Chairman will now be determined by a Shareholders' meeting. Unless otherwise notified, the current Chairman will continue to hold the position. It is important to note that under the Supplemental Agreement, no one, including Mr. Wong (Shareholder B), the Shareholder B Director and the Chairman, will possess a casting vote.

## OPERATING SUBSIDIARY OF THE GROUP

The below table sets out the scope of business, geographic focus and product differentiation of different operating subsidiary of the Group:–

	Scope of business	Geographic focus	Product differentiation	Contribution (from 29 September 2022 up to 31 Jan 2023, unaudited)		
				revenue	loss	asset
Alco International Limited	Design, sales and marketing of tablet, laptop and other personal electrical device	England, Ireland, North America	Design, sales and marketing of tablet/ laptop	~87%	~26%	~10%
Nexstgo Company Limited	Design, research and development, sales and marketing of tablet, laptop and other personal device, licensee and agent for IoT (Internet of Things) products	South East Asia and Middle East	Design, research and development, sales and marketing of traditional tablet/ laptop under the brand of 'Avita' and 'Venturer'	~7%	~13%	~7%
Avita Tech	Design, Design, research and development, sales and marketing of laptop  Specific business activities and product differentiation: new laptops incorporated with blockchain/web 3.0 technology	Taiwan, India, Indoesia, Malaysia	Design, research and development, sales and marketing of tablet/ laptop with web 3.0 technology partners under the brand of 'Avita', 'Jasmy' and future web 3.0 partners	~7%	~32%	~3%

Further announcement(s) will be made as and when appropriate in accordance with the Listing Rules.

By Order of the Board  
**Alco Holdings Limited**  
**LEI KAM CHAO**  
*Executive Director*

Hong Kong, 6 June 2023

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