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ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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

(Stock Code: 328)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH 2017

PERFORMANCE HIGHLIGHTS

	2017	2016
– Revenue (HK\$)	2,100m	2,879m
– Profit attributable to equity holders (HK\$)	73.9m	506m
– Final dividend per share	HK5 cents	HK30 cents
– Full year dividend per share	HK10 cents	HK96 cents

The directors of Alco Holdings Limited (the “Company”) announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2017 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March 2017

	Note	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Revenue	3	2,100,142	2,879,104
Cost of goods sold	5	(1,862,266)	(2,380,634)
Gross profit		237,876	498,470
Other income	4	33,022	10,129
Selling expenses	5	(84,351)	(104,200)
Administrative expenses	5	(96,192)	(87,424)
Other operating expenses	5	(12,083)	(17,473)
Gain on disposal of properties	6	–	221,318
Operating profit		78,272	520,820
Finance income		9,875	13,276
Finance costs		(10,268)	(8,695)
Profit before income tax		77,879	525,401
Income tax expense	7	(3,987)	(19,382)
Profit for the year		73,892	506,019
Profit/(loss) for the year attributable to:			
– Equity holders of the Company		73,897	506,028
– Non-controlling interests		(5)	(9)
		73,892	506,019
Earnings per share attributable to equity holders of the Company			
– Basic	8	HK12.8 cents	HK87.3 cents
– Diluted	8	HK12.8 cents	HK87.3 cents
Dividends	9	57,937	556,193

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2017

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit for the year	73,892	506,019
Other comprehensive loss, net of tax:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	<u>(9,620)</u>	<u>(7,036)</u>
Total comprehensive income for the year	<u>64,272</u>	<u>498,983</u>
Total comprehensive income/(loss) for the year		
attributable to:		
– Equity holders of the Company	64,277	498,992
– Non-controlling interests	<u>(5)</u>	<u>(9)</u>
	<u>64,272</u>	<u>498,983</u>

CONSOLIDATED BALANCE SHEET

As at 31st March 2017

	<i>Note</i>	2017 HK\$'000	2016 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		202,798	198,312
Investment properties		90,488	79,420
Leasehold land and land use rights		6,001	6,423
Intangible assets		10,776	13,650
Deferred income tax assets		28,225	32,371
Prepayment, deposit and other receivables	<i>10</i>	23,070	41,068
		361,358	371,244
Current assets			
Inventories		473,819	315,639
Trade and other receivables	<i>10</i>	742,693	692,934
Current income tax recoverable		13,086	–
Cash and cash equivalents		787,201	1,591,643
		2,016,799	2,600,216
Current liabilities			
Trade and other payables	<i>11</i>	320,739	348,390
Dividend payable	<i>9</i>	–	347,621
Current income tax liabilities		2,881	6,755
Deferred gain	<i>6</i>	17,450	17,450
Borrowings		116,400	9,700
		457,470	729,916
Net current assets		1,559,329	1,870,300
Total assets less current liabilities		1,920,687	2,241,544

	<i>Note</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Capital and reserves attributable to equity holders of the Company			
Share capital		57,937	57,937
Reserves		1,788,995	1,927,497
		1,846,932	1,985,434
Non-controlling interests		(441)	(436)
Total equity		1,846,491	1,984,998
Non-current liabilities			
Deferred gain	6	15,996	33,446
Borrowings		58,200	223,100
		74,196	256,546
Total equity and non-current liabilities		1,920,687	2,241,544

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

2. Amendments of standards adopted by the Group

The following new and amended standards are mandatory for the financial year beginning 1st April 2016:

HKFRS 10 and HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 14	Regulatory Deferral Accounts
HKFRSs (Amendment)	Annual Improvements 2012-2014 Cycle
HKAS 1 (Amendment)	Financial Statements Presentation Regarding Materiality, Aggregation and Subtotals
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation

The adoption of these new and amended standards did not result in a significant impact on the results and financial position of the Group.

The new standards, amendments to standards and interpretations relevant to the Group which have been issued, but not effective for the financial year beginning 1st April 2016 and have not been early adopted:

		Effective for accounting period beginning on or after
HKAS 7 (Amendment)	Disclosure Initiative	1st January 2017
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses	1st January 2017
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1st January 2018
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined
HKFRS 9	Financial Instruments	1st January 2018
HKFRS 15	Revenue from Contracts with Customers	1st January 2018
HKFRS 16	Leases	1st January 2019

There are no other HKFRSs or interpretations that are not yet effective and would be expected to have a material impact on the Group.

3. Segment information

(a) Segment analysed by products

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

As substantial business operations of the Group relate to design, manufacture and sale of consumer electronic products, the senior management makes decisions about resources allocation and performance assessment based on the entity-wide financial information. Accordingly, there is only one single reportable segment for the Group.

	Consumer electronic products	
	2017	2016
	HK\$'000	HK\$'000
Segment revenue	2,100,142	2,879,104
Segment results	78,272	520,820
Finance income	9,875	13,276
Finance costs	(10,268)	(8,695)
Profit before income tax	77,879	525,401
Income tax expense	(3,987)	(19,382)
Profit for the year	73,892	506,019
Profit/(loss) for the year attributable to:		
– Equity holders of the Company	73,897	506,028
– Non-controlling interests	(5)	(9)
	73,892	506,019

(b) Segment analysed by geographical areas

The segment revenue for the years ended 31st March 2017 and 2016 are as follows:

	2017 HK\$'000	2016 HK\$'000
North America	2,079,543	2,849,657
Europe	8,740	2,528
Asia	4,643	24,282
Others	7,216	2,637
	<u>2,100,142</u>	<u>2,879,104</u>

The analysis of revenue by geographical areas is based on the destination to which the shipments are made.

Primarily all of the Group's assets and capital expenditure for the years ended 31st March 2017 and 2016 were located or utilised in the PRC or Hong Kong.

4. Other income

	2017 HK\$'000	2016 HK\$'000
Fair value gain on investment properties	11,068	60
Rental income from investment properties	2,979	8,373
Amortisation of deferred gain (note 6)	17,450	1,454
Others	1,525	242
	<u>33,022</u>	<u>10,129</u>

5. Expenses by nature

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

	2017 HK\$'000	2016 HK\$'000
Amortisation of intangible assets	7,800	7,800
Amortisation of leasehold land and land use rights	281	289
Auditor's remuneration	2,200	2,100
Cost of inventories	1,611,193	2,151,804
Depreciation of property, plant and equipment	37,326	34,645
Employee benefit expenses (including directors' emoluments)	233,353	232,058
Severance pay	6,550	13,279
Loss/(gain) on disposal of plant and equipment	662	(40)
Operating lease rental in respect of land and buildings	33,174	29,902
Research and development costs	26,443	17,420

6. Gain on disposal of properties and deferred gain

In January 2016, Alco Electronics Limited (“AEL”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party, Lead Harvest Group Limited (“Lead Harvest”), for the disposal of a self-occupied property and certain investment properties in Quarry Bay with carrying values of HK\$23,791,000 and HK\$236,310,000, respectively, at a total net consideration of HK\$533,769,000. The transaction was completed on 29th February 2016 (“Completion Date”).

Upon completion of the disposal, AEL and Lead Harvest entered into a tenancy agreement, whereby AEL leased the aforesaid self-occupied property from Lead Harvest for its own use for 3 years commencing on the Completion Date. The fair value of the self-occupied property near the Completion Date was determined by property valuer. The excess of consideration over fair value has been deferred and amortised over the lease period, resulting in the recognition of deferred gain amounting to HK\$33,446,000 (31st March 2016: HK\$50,896,000) in the consolidated balance sheet and amortisation of the deferred gain amounting to HK\$17,450,000 (2016: HK\$1,454,000) in the consolidated income statement for the current year.

7. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	(16)	(13,057)
– Over provision in prior years	16	115
– PRC enterprise income tax	(530)	–
– Overseas corporate income tax	(60)	–
Deferred income tax expense	<u>(3,397)</u>	<u>(6,440)</u>
Income tax expense	<u><u>(3,987)</u></u>	<u><u>(19,382)</u></u>

8. Earnings per share

Basic

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

	2017	2016
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	73,897	506,028
Weighted average number of ordinary shares in issue	579,367,720	579,367,720
Basic earnings per share (<i>HK cents</i>)	12.8	87.3

Diluted

Diluted earnings 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 years ended 31st March 2017 and 2016. Therefore, the diluted earnings per share are the same as basic earnings per share.

9. Dividends

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interim dividend, paid, of HK5 cents (2016: HK6 cents) per ordinary share	28,969	34,762
No special dividend paid (2016: HK60 cents per ordinary share)	–	347,621
Final dividend, proposed, of HK5 cents (2016: HK30 cents) per ordinary share	28,968	173,810
	57,937	556,193

At a meeting held on 28th June 2017, the directors proposed a final dividend of HK5 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements.

10. Trade and other receivables

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current		
Prepayment, deposits and other receivables (<i>Note</i>)	<u>23,070</u>	<u>41,068</u>
Current		
Trade receivables	697,222	662,059
Prepayment, deposits and other receivables (<i>Note</i>)	<u>45,471</u>	<u>30,875</u>
	<u>742,693</u>	<u>692,934</u>
Total	<u><u>765,763</u></u>	<u><u>734,002</u></u>

Note: As at 31st March 2017, other receivables included HK\$28,629,000 (2016:HK\$43,374,000) consideration receivable from PVI Global Corporation (a subsidiary of E Ink Holdings Inc. (“E Ink”)) for the disposal of the corporate bond of Hydix Technologies Company Limited. A guarantee was granted by E Ink to cover the entire receivable amount. HK\$14,456,000 shall be receivable in the first year and HK\$14,173,000 shall be receivable in the second year.

At 31st March 2017 and 2016, the ageing analysis of the trade receivables based on shipping terms is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0 – 30 days	102,368	58,780
31 – 60 days	95,899	110,303
61 – 90 days	132,720	51,483
Over 90 days	<u>366,235</u>	<u>441,493</u>
	<u><u>697,222</u></u>	<u><u>662,059</u></u>

As at 31st March 2017, trade receivables of HK\$163,543,000 (2016: HK\$359,587,000) were past due with reference to the credit terms offered.

The overdue sum is not considered as impaired since the overdue sum has been settled in early May 2017.

11. Trade and other payables

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade payables	250,407	290,455
Other payables and accruals	70,332	57,935
	320,739	348,390

At 31st March 2017 and 2016, the ageing analysis of the trade payables based on invoice date is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0 – 30 days	215,469	267,298
31 – 60 days	28,703	15,193
61 – 90 days	1,650	3,317
Over 90 days	4,585	4,647
	250,407	290,455

DIVIDEND

The directors recommended the payment of a final dividend of HK5 cents (2016: HK30 cents) per ordinary share for the year ended 31st March 2017 to the shareholders whose names appear on the register of members of the Company on 5th September 2017.

Subject to shareholders' approval at the forthcoming annual general meeting of the Company, which is scheduled on 25th August 2017, the final dividend is expected to be paid on 13th September 2017.

CLOSURE OF REGISTER OF MEMBERS

Annual general meeting

The register of members of the Company will be closed from Tuesday, 22nd August 2017 to Friday, 25th August 2017, 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 share registrar in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 21st August 2017.

Dividend

The register of members of the Company will be closed from Friday, 1st September 2017 to Tuesday, 5th September 2017, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 31st August 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Group results and dividends

For the year under review, the Group recorded turnover of HK\$2.1 billion (2016: HK\$2.9 billion) and profit attributable to shareholders of HK\$73.9 million (2016: HK\$506 million). The significant declines were principally due to the lacklustre business environment, compounded by dramatic cost increases for critical components including TFT-LCD panels and memory ICs, which are used in certain electronic products of the Group. Such price increases could not be readily shifted to Alco's customers owing to intense competition in the market. Another major reason for the decline in profit was the lack of one-off gain recorded in the year under review (2016: the Group reported a gain of HK\$221 million from the disposal of properties).

The Board of Directors, in its commitment to observing a stable dividend payout policy, has resolved to declare a final dividend of HK5 cents (2016: HK30 cents) per share. This, combined with an interim dividend of HK5 cents per share already paid (2016: HK6 cents) represents a total dividend of HK10 cents per share for the financial year (2016: HK96 cents which includes a special dividend of HK60 cents).

The final dividend will be paid on 13th September 2017 to the Group's shareholders upon approval at the upcoming Annual General Meeting.

Review of operations

Over the past year, we once again faced intense competition, particularly with regards to our infotainment products. Compounding matters was the dramatic and sudden rise in cost of TFT-LCD panels and memory ICs which are critical components used in our tablets and personal computing products, thus affecting their profitability and the ability of the Group to take on orders because such cost increases could not be easily transferred to prices charged to customers.

Since such cost increases are very often cyclical and are faced by all industry players, we remain undeterred and committed to developing more models and wider range of tablets and personal computing products.

In particular, we have stepped up development of our B2B/Commercial Notebook PCs. This has included the establishment of a dedicated team in Taiwan comprising professionals recruited from top tech companies. Furthermore, a Hong Kong team, again with seasoned professionals all having substantial and years of experience in the marketing and branding of world-renowned electronics products, has been assembled to provide branding and marketing support. As B2B/Commercial Notebook PCs are targeted towards commercial and professional users rather than the general public, we can therefore generate greater revenue per unit, attract a new range of customers and lower our dependence on sales to mass market.

With respect to our AV products, they continued to provide a stable source of revenue to the Group during the past year. Catering for a diverse range of customers and budgets is a portfolio that includes sound bar systems, amplifiers, Bluetooth wireless speakers, DVD players and home theatre systems. To ensure that they continue to deliver a solid performance to the Group, we have maintained our practice of upgrading relevant products year on year based on industry trends and customers' dictates.

Also constantly being fine-tuned and upgraded is our production capability. While our Houjie Town production facility is operating highly efficiently, our optimisation efforts have continued. This has included making further investments in automation, including greater implementation of robot arms that enable us to further enhance efficiency, continue to raise quality and further reduce human labour. And even though the total number of worker involved in production is continuing to fall, this should not be construed as eliminating human input altogether. In fact we have sought to raise the quality of our workforce by hiring more skilled workers, with some of them being technical school graduates. One of the competitive strengths of the Group is the fact that we are able to expedite the introduction of ever more advanced technologies to the production environment, which in turn allows us to bring increasingly sophisticated products to the market.

Prospects

The global economy is expected to further improve in the coming years, driven by recoveries in investment, manufacturing and trade, according to an International Monetary Fund report. However, optimism must be tempered by the possibility of changing political landscape that invariably creates uncertainty and downside risk. For anyone involved in the electronics industry, intense competition will remain the norm in the foreseeable future, though that by no means implies that opportunities are absent.

As an industry veteran, the Group has overcome numerous troughs and cyclical patterns in the past 48 years, including the recent and sudden spike in cost of critical components. Though not unscathed, we have nonetheless been resilient due to competitive strengths that have only grown more robust over the years, one of which is our management team that provides the Group with sound guidance and direction.

In the coming year, we will continue to focus on our three-pronged strategy of developing high value-added products; further upgrading our manufacturing facilities through automation and robotization; and penetrating new markets with new brands and/or new product categories.

With regard to high value-added products, in addition to developing more models of electric bicycles, we plan to introduce within the second half of the 2017 calendar year Consumer Notebook PCs and B2B/ Commercial Notebook PCs in prices range of mid 1,000 US dollars. Furthermore, by the beginning of 2018, All-In-One PC systems in sizes ranging from 24" to 32" will also be introduced.

In order to ensure that the quality, reliability and durability of the Group's high value-added products are in line with those from world-renowned brands, we have been continuously increasing investment in our manufacturing capabilities, not only in terms of automation and robotization, but also in human resources, resulting in rising number of the Group's in-line workforce being graduates of technical institutes. Also, more software development and programming of the Group's automation equipment and robot arms are now done by in-house support team.

With a few of the Group's existing tablets starting to gain traction and popularity in new markets around the world (even though still in relatively small quantities for the time being), the Group expects revenue from new markets to gradually gain in importance. Based on past channel relationships and brand experience of the Group's dedicated marketing professionals in B2B/Commercial Notebook PCs, which are being developed by our Taiwan technical team, our strategy is to first enter the Business and Enterprise Markets of Hong Kong, Taiwan and Singapore; followed by India, Pakistan and the Middle East. For the North America market, we will continue to enhance our existing line-up of consumer tablets in addition to recent effort to also penetrate Consumer Notebook PC Categories (with screen sizes ranging from 13.3" to 15.6"). Since there is still steady demand for the Group's AV products by North American retailers, we will maintain our efforts in constantly upgrading and rationalizing the Group's portfolio of sound bar systems, amplifiers, Bluetooth wireless speakers, DVD players and home theatre systems.

As we enter a new financial year, we are mindful of the many challenges that lay ahead. While we are not intimidated, neither will we entertain any false expectations. Our focus will be on what we do best, which is leveraging our various strengths to make steady steps forward. We will continue to observe this proven strategy to achieve long-term gains and deliver fair returns to our shareholders.

Liquidity and financial resources

The Group's total equity and total equity per share as at 31st March 2017 were HK\$1,846 million (2016: HK\$1,985 million) and HK\$3.19 (2016: HK\$3.43) respectively.

The Group maintains a strong financial position. As at 31st March 2017, we had cash and deposits of HK\$787 million. After deducting bank loans of HK\$175 million, we had net cash of HK\$612 million. The Group has adequate liquidity for future working capital requirements.

As at 31st March 2017, our inventory was HK\$474 million (2016: HK\$316 million). The increase of inventory level was mainly caused by the finished goods inventory readily shipped and recognised in April 2017. We take a cautious approach to monitor the inventory level especially during this environment with uncertainty.

Trade receivables balance as at 31st March 2017 was HK\$697 million (2016: HK\$662 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 balance as at 31st March 2017 was HK\$250 million (2016: HK\$290 million).

Capital expenditure on fixed assets during the year was HK\$48 million (2016: HK\$70 million). As at 31st March 2017, we had capital commitments contracted but not provided for in respect of moulds, plant and machinery and renovation amounting to HK\$5,189,000 (2016: HK\$11,878,000).

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 was no gain or loss from speculative activities during the reporting financial year.

To naturally hedge against the potential cost impact caused by RMB, the Group has diversified its cash portfolio by investing in RMB denominated deposits. As at 31st March 2017, the amount totalled RMB75 million.

Employees

As at 31st March 2017, the Group had approximately 1,600 (2016: 1,700) employees in Hong Kong and the PRC. 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 during the year ended 31st March 2017 and the Company has not redeemed any of its shares during the same financial year.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the 12 months ended 31st March 2017, except with deviation from code provisions A.5.1 and E.1.2.

Following the resignation of an independent non-executive director on 17th March 2016, the nomination committee did not comprise a majority of independent non-executive directors, which deviated from the code provision A.5.1. On 6th April 2016, a new independent non-executive director was appointed. The deviation was rectified accordingly.

In addition, the chairman of the board had not attended the annual general meeting of the Company on 25th August 2016, which deviated from code provision E.1.2. The chairman will endeavour to attend all future annual general meetings of the Company.

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 the directors of the Company. Having made specific enquiry of 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 12 months ended 31st March 2017.

AUDIT COMMITTEE

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 year ended 31st March 2017.

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

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March 2017 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website at www.irasia.com/listco/hk/alco/index.htm. The annual report of the Company containing all the information required by the Listing Rules will be published on the above websites in due course.

LIST OF DIRECTORS

As at the date of this announcement, the Board of Directors comprises five executive directors, namely Mr LEUNG Kai Ching, Kimen, Mr LEUNG Wai Sing, Wilson, Mr KUOK Kun Man, Mr LEUNG, Jimmy and Mr LIU Lup Man and three independent non-executive directors, namely Mr LI Wah Ming, Mr LEE Tak Chi and Mr CHEUNG, Johnson.

By order of the Board
Alco Holdings Limited
LEUNG Kai Ching, Kimen
Chairman

Hong Kong, 28th June 2017