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ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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

(Stock Code: 328)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

References are made to the prospectus (the “**Prospectus**”) of Alco Holdings Limited (the “**Company**”) dated 13 June 2023 and the announcement (the “**Announcement**”) of the Company dated 5 July 2023 in relation to, among other things, the Rights Issue and the Placing. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE AND THE PLACING

As disclosed in the Announcement, as at 4:00 p.m. on Wednesday, 28 June 2023, being the Latest Time for Acceptance, a total of 10 valid acceptances and applications had been received for a total of 13,552,269 Rights Shares, representing approximately 21.29% of the total number of Rights Shares offered under the Rights Issue. As at the Record Date, there was one Non-Qualifying Shareholder and the number of the NQS Unsold Shares was 40. Based on the above results of valid acceptances and applications, the total number of the Unsubscribed Shares and the NQS Unsold Shares subject to the Compensatory Arrangements shall be 50,093,223 Rights Shares. The Company has, pursuant to Rule 7.21(1)(b), made the Compensatory Arrangements by entering into the Placing Agreement with the Placing Agent pursuant to which the Company conditionally appointed the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, places to subscribe for the Unsubscribed Shares and the NQS Unsold Shares in accordance with the terms of the Placing Agreement.

The Board wishes to announce that at 4:00 p.m. on Thursday, 13 July 2023, being the Placing End Date, all the 50,093,223 Unsubscribed Shares and NQS Unsold Shares were successfully placed at the price of HK\$1.425 per Share, which is equal to the Subscription Price, under the Placing. Therefore, there is no Net Gain available for distribution to the No Action Shareholders and Non-Qualifying Shareholders under the Placing.

As all the conditions with respect to the Rights Issue and the Placing as set out in the Prospectus have been fulfilled, the Rights Issue and the Placing became unconditional at 4:10 p.m. on Friday, 14 July 2023 and Thursday, 20 July 2023, respectively.

Based on the results of acceptance of the Rights Issue and the results of the Placing, the Rights Shares to be allotted and issued amounted to 63,645,492 Rights Shares, representing 100% of the total number of Rights Shares offered for subscription under the Rights Issue.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and where appropriate, their respective ultimate beneficial owner(s), is an Independent Third Party; and (ii) none of the placees has become a substantial Shareholder immediately upon completion of the Placing.

Accordingly, the gross proceeds raised from the Rights Issue were approximately HK\$90.69 million and the net proceeds (after deducting the related expenses) from the Rights Issue were approximately HK\$89.25 million. As disclosed in the Prospectus, the Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately HK\$39.00 million for repayment of bank and other borrowings owed by the Group;
- (ii) approximately HK\$37.08 million for settlement of external debts; and
- (iii) approximately HK\$13.17 million for the general working capital of the Group.

EFFECT OF THE RIGHTS ISSUES ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after the completion of the Rights Issue and the Placing:

Name of the Shareholder	Immediately before completion of the Rights Issue and the Placing		Immediately after completion of the Rights Issue and the Placing	
	<i>Number of Shares</i>	<i>Approximate (%)</i>	<i>Number of Shares</i>	<i>Approximate (%)</i>
Mr. Leung Wai Sing, Wilson (<i>Note 1</i>)	1,534,139	9.64	1,534,139	1.93
Ms. Lee Wing Yin	911,680	5.73	911,680	1.15
Placees	–	–	50,093,223	62.96
Other public Shareholders (<i>Note 2</i>)	13,465,554	84.63	27,017,823	33.96
Total	15,911,373	100.00	79,556,865	100.00

Notes:

1. Ex-chairman (deceased) of the Company.
2. As at the date of this announcement, the Company has no controlling Shareholder as defined under the Listing Rules and none of the Directors and their respective associates is interested in any Shares.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for the fully-paid Rights Shares are expected to be posted on or before Monday, 24 July 2023 to those entitled thereto at their registered addresses by ordinary post at their own risk.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 25 July 2023.

By Order of the Board
Alco Holdings Limited
Lei Kam Chao
Chairman

Hong Kong, 21 July 2023

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