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ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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

(Stock Code: 328)

DISCLOSEABLE TRANSACTION
ACQUISITION OF 11% EQUITY INTEREST IN THE JV COMPANY

On 22 August 2025 (after trading hours), the Vendor, an Independent Third Party, and the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the Agreement, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to transfer 11% equity interest in the JV Company at the consideration of RMB2,000,000.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

This announcement is made by Alco Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**").

THE AGREEMENT

The Acquisition

The Company is pleased to announce that, on 22 August 2025, Alco LinkTech Limited (the "**Purchaser**"), an indirect wholly-owned subsidiary of the Company, ZhongCheng XingFu (Guiyang) Industrial Management Co., Ltd. (中城幸福(貴陽)產業管理有限責任公司) (the "**Vendor**") and Shenzhen Alco Chuangke Holdings Limited (深圳愛高創科控股有限公司) (the "**JV Company**") entered into an equity transfer agreement (the "**Agreement**"), pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to transfer 11% equity interest in the JV Company (the "**Acquisition**").

The Consideration

Pursuant to the terms of the Agreement, the total Consideration is in the sum of RMB2,000,000 and shall be paid by the Purchaser by way of cash. The Consideration of the Acquisition was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the valuation of the total equity interest and asset and liabilities of the JV Company as at 31 July 2025.

Conditions Precedent

Completion of the Acquisition is conditional upon the satisfaction of, among others, the following conditions:

(a) the Purchaser having completed the due diligence and being satisfied with the business, financial, tax and legal issues of the JV Company;

(b) the Purchaser having obtained necessary approvals from banks regarding the Sale Shares under the Agreement;

(c) the Purchaser having completed all necessary procedures and complied with all legal and regulatory requirements as required by the Agreement.

Completion

Completion shall take place on the effective date of change of business registration in respect of the Sale Shares to the Purchaser. Upon Completion, the Company will become the single largest shareholder of the JV Company, the JV Company will become a subsidiary of the Company, and the financial results of the JV Company will be consolidated in the Group's financial statements.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company believes that, as competition intensifies in the consumer electronics industry, the JV Company and its projects will help the Company enter the high growth digital services market and diversify operational risks. Under current national policies, the sharing economy, e-commerce, leasing, and recycling businesses in mainland China have gradually entered a mature stage of development. This has prompted the Company to rely on the JV Company to cooperate with electronic industry enterprises developing in mainland China, develop leasing, e-commerce, and other businesses, expand technological research and development capabilities, and is expected to form a strong synergistic effect with the Group's main business projects. The existing OEM/ODM production business still faces challenges, with profit margins shrinking under fierce competition. Acquiring the JV Company and making it a subsidiary of the Company can enable the Company to steadily develop in a wider range of digital product fields.

The Company believes that, through the dual track development strategy in the JV Company, the digital services of traditional businesses and joint venture projects will form a "hardware plus software" ecosystem, achieve business diversification, and bring long-term strategic synergies and potential growth opportunities to the Group through the industry resources, technological capabilities, and policy advantages of the JV Company.

Based on the above, the Company considers that the terms and conditions of the Agreement are fair and reasonable, and the Acquisition is in the interests of the Company and the Company's shareholders (the "**Shareholders**") as a whole.

INFORMATION OF THE PARTIES

The Purchaser

The Company is an investment holding company listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 328). The Group is principally engaged in designing, manufacturing and selling of consumer electronic products. The Company operates business through own brand notebook developing business, AV products original equipment manufacturer (OEM) and original design manufacturer (ODM) businesses.

The Purchaser, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company, principally engaged in manufacture of computer, electronic and optical products.

The Vendor

The Vendor is a company incorporated in the PRC with limited liability. The ultimate beneficial owner of the Vendor is Zhongcheng Xingfu Industrial Cooperation and Development Co., Ltd (中城幸福產業合作發展有限責任公司). The Vendor is principally engaged in technology promotion and application service industry.

The JV Company

The principal business of the JV Company is to provide digital product leasing services for corporate clients and assist in e-commerce and media development SaaS Support services. Digital product leasing aims to enable startups or project-based companies to immediately acquire many laptops and digital product hardware at a lower price than direct acquisition, and receive additional benefits SaaS Comprehensive support for support. The lease term will range from several months to several years to meet the needs of customers. As of the date of this announcement, the Vendor holds 55% equity in the JV Company.

To the best of the Company's knowledge, information and belief and having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

As of 31 July 2025, the unaudited net asset value of the JV Company was approximately RMB15.9 million. As the JV Company has been in operation for less than one year, an audit report has not yet been prepared in accordance with standard financial practices.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios exceed 5% but less than 25%, the execution of the Agreement constitutes a discloseable transaction for the Company and is therefore subject to the requirements of notification and announcement but exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Shareholders and potential investors should be aware that the transaction under the Agreement is subject to the fulfilment of a number of conditions. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Alco Holdings Limited
Liao Liping
Co-Chairman and executive director

Hong Kong, 22 August 2025

As of the date of this announcement, the executive Directors of the Company are Ms. Liao Liping (Co-Chairman), Mr. Ho Chak Yu and Mr. Zheng Yuxing. Non-executive Directors of the Company are Mr. Tian Yi (Co-Chairman), Mr. Bian Wenbin (Vice Chairman) and Mr. Xu Liao. Independent non-executive Directors of the Company are Mr. Chu Hoi Kan, Mr. Lam Chi Wing, Mr. Tang Sher Kin and Mr. Deng Chaowen.