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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 AT HK\$0.55 PER RIGHTS SHARE

Reference is made to the prospectus of Alco Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 29 May 2026 (the “**Prospectus**”) in relation to the Rights Issue of the Company on the basis of four (4) Rights Shares for every one (1) Share held at the close of business on the Record Date at the Subscription Price of HK\$0.55 per Rights Share and the announcement of the Company dated 15 June 2026 in relation to the applications for the Rights Shares and number of Unsubscribed Shares subject to the Compensatory Arrangements (the “**Announcement**”). Unless the context otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Prospectus and the Announcement.

RESULTS OF THE RIGHTS ISSUE, THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT

As disclosed in the Announcement, as at 4:00 p.m. on Friday, 12 June 2026, being the Latest Time for Acceptance, a total of 7 valid applications had been received for a total of 103,035,794 Rights Shares, representing approximately 44.97% of the total number of Rights Shares offered under the Rights Issue.

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 126,077,926 Rights Shares.

The Company has, pursuant to Rule 7.21(1)(b) of the Listing Rules, made the Compensatory Arrangements by entering into the Placing Agreement with the Placing Agent pursuant to which the Company appointed the Placing Agent and the Placing Agent agreed to act as the placing agent for the Company to procure, on a best-effort basis, Placee(s) 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 6:00 p.m. on Friday, 3 July 2026, being the latest time of placing of the Placing Shares by the Placing Agent, 126,077,926 Unsubscribed Shares and NQS Unsold Shares were successfully placed at the price of HK\$0.55 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 4:00 p.m. on Monday, 6 July 2026.

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 229,113,720 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 is an Independent Third Party; and (ii) none of the Placees has become a substantial Shareholder immediately upon completion of the Placing.

Use of proceeds

Accordingly, the net proceeds (after deducting the related expenses) from the Rights Issue were approximately HK\$121.8 million. As disclosed in the Prospectus, the Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately HK\$50.0 million (approximately 41%) of the net proceeds will be used for the repayment of the other borrowing and related finance costs owing to Proyan Consultancy Limited. The repayment of such borrowing is expected to reduce finance costs, improve the Group's capital structure and enhance its financial stability. The above proceeds are expected to be fully utilised by September 2026.
- (ii) approximately HK\$22.0 million (approximately 18%) of the net proceeds will be used for settlement of overdue amounts due to OEM suppliers, subcontractors, software licensors, logistics and service providers. As at 28 February 2026, the ageing of such overdue amounts was:
 - approximately HK\$0.6 million with no overdue;
 - approximately HK\$13.1 million overdue for 0–30 days;
 - approximately HK\$4.8 million overdue for 31–60 days;
 - approximately HK\$3.0 million overdue for 61–90 days; and
 - approximately HK\$1.5 million overdue for over 90 days.

Such overdue amounts arose from a combination of tighter supplier credit terms and deposit requirements, timing mismatch between receivable collection and supplier settlement, and prioritisation of settlement of legacy liabilities following the 2025 Rights Issue. The settlement of such creditors and liabilities is expected to improve the Group's operational efficiency and strengthen its working relationships with key business partners, which is important in the fast-paced consumer electronics market. The above proceeds are expected to be fully utilised by September 2026;

- (iii) approximately HK\$31.5 million (approximately 26%) of the net proceeds will be used for development and strengthen our Asia-Pacific region markets and enhancement of the Group's product design capabilities for notebook and tablet products. The Group intends to establish physical stores in key Asia-Pacific region sales points to enhance the brand's recognition and loyalty in these markets and subcontract local qualified service centers to strengthen the product warranty and after-sales service network. The development in Asia-Pacific region markets in the medium term helps the Group to reduce reliance on external distributors and achieve cost efficiencies. Apart from that, the Group intends to procure new 3D printing and scanning equipment to shorten the product development lead times, enhance efficiency and reduce the subcontracting mould costs. The above proceeds are expected to be fully utilised by October 2026; and
- (iv) approximately HK\$18.3 million (approximately 15%) of the net proceeds will be used for the general working capital, comprising approximately HK\$2.0 million for staff costs and salaries; HK\$3.0 million for sales commissions; HK\$2.0 million for shipping and logistics expenses; HK\$2.0 million for rental and office expenses; HK\$1.0 million for professional and compliance fees; HK\$1.3 million for IT, system and administrative expenses; and HK\$7.0 million for contingency buffer and general operating cashflow reserve. The Directors believe that the proceeds will help to replenish the working capital of the Group to support its ongoing operations. The above proceeds are expected to be fully utilised by December 2026.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

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

Shareholders	Immediately before completion of the Rights Issue and the Placing		Immediately after completion of the Rights Issue and the Placing	
	<i>No. of Shares</i>	<i>Approximate percentage (%) (Note 1)</i>	<i>No. of Shares</i>	<i>Approximate percentage (%) (Note 1)</i>
Public Shareholders				
— Public Shareholders	57,278,430	100%	160,314,224	55.98%
— Placees	—	—	126,077,926	44.02%
Total	57,278,430	100.0%	286,392,150	100.0%

Notes:

- The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

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, 13 July 2026 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, 14 July 2026.

By order of the Board
Alco Holdings Limited
Yu Ngai
Company Secretary

Hong Kong, 10 July 2026

As at the date of this announcement, Mr. Zheng Yuxing is the executive Director; Ms. Pan Ying (Chairman) is the non-executive Director; and Mr. Chu Hoi Kan, Mr. Lam Chi Wing and Mr. Tang Sher Kin are the independent non-executive Directors.