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ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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

(Stock Code: 328)

RETIREMENT OF CHAIRMAN, EXECUTIVE DIRECTOR AND CHAIRMAN OF THE NOMINATION COMMITTEE AND APPOINTMENT OF CHAIRMAN AND CHAIRMAN OF THE NOMINATION COMMITTEE AND CHANGE OF AUTHORISED REPRESENTATIVE

The board of directors (the "**Board**") of Alco Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") announces the following changes to the Board, the nomination committee and the authorised representative of the Company.

RETIREMENT OF CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. LEUNG Kai Ching, Kimen ("**Mr. Kimen Leung**") has retired as chairman of the Board, executive director of the Company and chairman of the nomination committee of the Company with effect from the date of this announcement. The Board has requested and Mr. Kimen Leung has agreed to serve as Senior Advisor of the Company and in that capacity to continue to contribute to the Group on significant matters.

Mr. Kimen Leung has confirmed that he has no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the shareholders of the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Board would like to express its most sincere gratitude to Mr. Kimen Leung for his invaluable contributions to the Group.

APPOINTMENT OF CHAIRMAN

Mr. LEUNG Wai Sing, Wilson ("**Mr. Wilson Leung**"), currently an executive director and the chief executive officer of the Company, has succeeded as chairman of the Board and chairman of the nomination committee of the Company with effect from the date of this announcement.

The Board believes the appointment of Mr. Wilson Leung to the combined role of chairman of the Board and chief executive officer of the Company is beneficial to the Group as he has considerable industry experience.

Mr. Wilson Leung, aged 58, joined the Group in 1985. He takes full charge of the Group's overall strategy and operations. He holds a master of science degree in electrical engineering from Queen's University, Canada.

Save as disclosed above, Mr. Wilson Leung did not hold any directorships in other listed public companies in the last three years.

Mr. Wilson Leung is the son of Mr. Kimen Leung. Mr. Wilson Leung has personal interest in 47,072,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Wilson Leung has entered into a service contract with the Company for a fixed term of three years commencing on 1st April 2016 and shall continue thereafter unless terminated by either party giving to the other not less than three months' written notice. His appointment is also subject to retirement by rotation and re-election in accordance with the bye-laws of the Company. He is entitled to an annual salary of HK\$4,842,600 and a discretionary bonus.

On 26th August 1999, the Listing Committee of the Stock Exchange (the "**Listing Committee**") publicly censured the Company and the then Board of Directors including Mr. Wilson Leung, regarding certain connected transactions (the "**Connected Transactions**") whereby the Company was involved in a series of substantial transactions with the Venturer group of companies during the period from November 1992 to June 1998.

The Listing Committee has concluded that the Connected Transactions breached rule 14.23(2), rule 14.26 and rule 14.29 of the then Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and breached paragraphs 2(3) and 3(1) of the Listing Agreement. The Listing Committee, among other things, has found that the Company failed to fully disclose all the Connected Transactions in the Company's announcement of 25th March 1998 which was made "By Order of the Board" and thus necessitated a further announcement of 15th May 1998. The Listing Committee has also found that in breach of the Listing Agreement and the Listing Rules, the Directors including Mr. Wilson Leung breached their respective undertakings whereby they undertook to comply to the best of their abilities with the Listing Rules, and to use their best endeavours to procure that the Company would so comply. Further in failing to fulfil their fiduciary duties and duties of skill, care and diligence to a standard commensurate with the standard established by Hong Kong law, the Directors including Mr. Wilson Leung failed to comply with rule 3.08 and, in particular, rule 3.08(f) of the then Listing Rules.

The Board would like to express its gratitude to Mr. Wilson Leung for his continuous contributions to the Group.

CHANGE OF AUTHORISED REPRESENTATIVE

Following the retirement of Mr. Kimen Leung, Mr. Wilson Leung has been appointed as an authorised representative of the Company under rule 3.05 of the Listing Rules in replacement of Mr. Kimen Leung with effect from the date of this announcement.

By order of the Board
Alco Holdings Limited
LEUNG Wai Sing, Wilson
Chairman and Chief Executive Officer

Hong Kong, 15th June 2018

As at the date of this announcement, the executive directors of the Company are Mr. LEUNG Wai Sing, Wilson, Mr. KUOK Kun Man, Mr. LEUNG, Jimmy and Mr. LIU Lup Man. The independent non-executive directors are Mr. LI Wah Ming, Mr. LEE Tak Chi and Mr. CHEUNG, Johnson.