



# **ALCO HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

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

**(Stock Code: 328)**

**INTERIM REPORT 2025**

The directors of Alco Holdings Limited (the “Company”) announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2025, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2025

		<b>Unaudited</b>	
		<b>Six months ended 30 September</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations</b>			
Revenue	4	<b>61,948</b>	49,690
Cost of goods sold	6	<b>(55,620)</b>	(45,078)
Gross profit		<b>6,328</b>	4,612
Other income and gain	5	<b>–</b>	2,477
Selling expenses	6	<b>(6,703)</b>	(5,968)
Administrative expenses	6	<b>(16,510)</b>	(23,244)
Other operating expenses	6	<b>(41)</b>	(49)
Operating loss		<b>(16,926)</b>	(22,172)
Finance costs		<b>(2,491)</b>	(2,137)
Loss before income tax		<b>(19,417)</b>	(24,309)
Income tax expense	7	<b>–</b>	–
<b>Loss for the period from continuing operations</b>		<b>(19,417)</b>	(24,309)
<b>Discontinued operation</b>			
Loss for the period		<b>N/A</b>	–

**Unaudited**  
**Six months ended 30 September**

**2025**

2024

**HK\$'000**

**HK\$'000**

*Notes*

**Loss for the period attributable to:**

From continuing operations

— Owners of the Company

**(19,417)**

(24,309)

— Non-controlling interests

—

—

**(19,417)**

(24,309)

**Loss for the period attributable to:**

From discontinued operation

— Owners of the Company

**N/A**

—

— Non-controlling interests

**N/A**

—

**N/A**

—

**HK\$**

**HK\$**

**Loss per share attributable  
to owners of the Company**

From continuing and discontinued  
operations

— Basic

8

**(0.17)**

(0.25)

— Diluted

8

**(0.17)**

(0.25)

From continuing operations

— Basic

8

**(0.17)**

(0.25)

— Diluted

8

**(0.17)**

(0.25)

Dividends

9

—

—

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Loss for the period	<b>(19,417)</b>	(24,309)
Other comprehensive expense, net of tax:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	<b>6,187</b>	514
Total comprehensive expense for the period	<b>(13,230)</b>	(23,795)
<b>Total comprehensive expense for the period attributable to:</b>		
— Owners of the Company	<b>(13,230)</b>	(23,795)
— Non-controlling interests	<b>—</b>	—
	<b>(13,230)</b>	(23,795)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		Unaudited 30 September 2025 HK\$'000	Audited 31 March 2025 HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment		36,141	37,486
Right-of-use assets		52,500	53,357
Prepayments, deposits and other receivables	11	226	226
		<u>88,867</u>	<u>91,069</u>
Current assets			
Inventories		19,480	24,875
Trade and other receivables	11	45,313	53,485
Income tax recoverable		9	9
Bank balances and cash		16,249	10,056
		<u>81,051</u>	<u>88,425</u>
Current liabilities			
Trade and other payables	12	31,661	37,028
Provision of financial guarantee		106,786	108,468
Bank borrowings	13	47,528	47,528
Loans from shareholders	14	38,052	38,052
		<u>224,027</u>	<u>231,076</u>
Net current liabilities		<u>(142,976)</u>	<u>(142,651)</u>
Total assets less current liabilities		<u>(54,109)</u>	<u>(51,582)</u>

		Unaudited 30 September 2025 HK\$'000	Audited 31 March 2025 HK\$'000
	Notes		
Capital and reserves attributable to owners of the Company			
Share capital	15	1,146	1,146
Reserves		(84,605)	(65,189)
		<hr/>	<hr/>
Equity attributable to owners of the Company		(83,459)	(64,043)
Non-controlling interests		(650)	(650)
		<hr/>	<hr/>
Total deficit		(84,109)	(64,693)
		<hr/>	<hr/>
Non-current liabilities			
Other payables	12	-	1,111
Bank and other borrowings		30,000	12,000
		<hr/>	<hr/>
		30,000	13,111
		<hr/>	<hr/>
Total deficit and non-current liabilities		(54,109)	(51,582)
		<hr/>	<hr/>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2025*

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements of Alco Holdings Limited and its subsidiaries (collectively, the Group) for the six months ended 30 September 2025 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2025 except as described below.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards (“HKFRSs”) issued by the HKICPA which are effective for the Group’s financial year beginning 1 April 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The application of the amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

### 3. OTHER INFORMATION

The directors of the Company consider that it is appropriate to prepare the condensed consolidated financial statements on the going concern basis taking into account the following facts and assumptions:

#### *ii) Shareholders loan status*

The management of the Group has several discussions with the shareholder's loan providers. Mrs. Leung, the wife of Mr. Leung Wai Sing ("Wilson"), is in the process of applying for the estate administrator of Wilson's estate. She believes that she will be officially appointed as the estate administrator of Wilson and she is willing to discuss the extension of the shareholder's loan on behalf of Wilson. The other shareholders also indicate to extend their shareholders' loan accordingly.

#### *ii) Bank borrowings status*

The management of the Group continues to negotiate with banks and financial institutions, with reference to valuation performed by independent qualified professional valuers and market data information, whereby the majority of bank borrowing balances are being covered by the value of their corresponding pledged properties. On 18 November 2025 the Group entered into the Sale and Purchase Agreement with an independent third party of the Group to dispose the pledged property at a consideration of HK\$90,000,000 and the net proceeds will be used for the repayment of the bank borrowings and financial guarantee of the Group. The above disposal is subjected to the condition precedent and the approval of SGM. The Board will continue its efforts to discuss and work out the repayment schedules with the lenders to reduce the bank borrowing balances.

#### *iii) Operation*

The Group had adopted multiple cost mitigation measures to streamline its core business activities and significantly cut down those redundant operations. During the period, the continuous groupwide migration to OEM/ODM production model has positive effect, the management is of the view that the date-to-date maintenance cost of the Group would be reduced significantly. The management has reassessed the geographical exposure and believes that the Group should focus on those overseas strategic markets and close down those unprofitable overseas operations, for which the related applications were in progress. The Group continued to restructure its operation across the Group, and cutting down redundant functions to free up the resources and redirect to other business segments which may have higher growth potential.



### 3. OTHER INFORMATION (Continued)

#### *iv) Liability analysis*

The Group recorded total liabilities of approximately HK\$254 million and net liabilities of approximately HK\$143 million as at 30 September 2025. Among which the Bank borrowings of approximately HK\$48 million is covered by the value of pledged properties which reference to valuation performed by independent qualified professional valuers and market data information. Shareholders' loan of approximately HK\$38 million is related to the extension granted by shareholders whom indicated their intentions to continue supporting the Group.

The directors of the Company believe that, taking into account the above plans and measures, the Group will have sufficient working capital to satisfy its present requirements for the period ending 30 September 2025. However, should the Group fail to achieve the above mentioned plans and measures, the Group may be unable to operate as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to state them at their realisable values, to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively.

### 4. SEGMENT INFORMATION

#### *(a) Segment analysed by products*

The Group mainly operates in the Asia Pacific and is principally engaged in designing, manufacturing and selling of consumer electronic products including AV products and notebook products.

AV and other products	—	Design and sale of consumer electronic products, including audio, video and other products
Notebook products	—	Design and sale of commercial notebook and personal computers products

## 4. SEGMENT INFORMATION (Continued)

### (a) Segment analysed by products (Continued)

The Group's inter-segment transactions mainly consist of sale of assembly parts among subsidiaries. The transactions were entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

	2025				2024			
	Continuing operations				Continuing operations			
	AV and other products HK\$'000	Notebook products HK\$'000	Elimination HK\$'000	Total HK\$'000	AV and other products HK\$'000	Notebook products HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue								
External sales	-	61,948	-	(61,948)	-	49,690	-	49,690
Inter-segment sales	-	-	-	-	-	-	-	-
	-	61,948	-	(61,948)	-	49,690	-	49,690
Segment results	-	(16,926)	-	(16,926)	-	(22,172)	-	(22,172)
Finance costs				(2,491)				(2,137)
Loss before income tax				(19,417)				(24,309)
Income tax expense				-				-
Loss for the period				(19,417)				(24,309)
Loss for the period attributable to								
— Owners of the Company				(19,417)				(24,309)
— Non-controlling interest				-				-
				(19,417)				(24,309)

## 4. SEGMENT INFORMATION (Continued)

### (b) Segment analysed by geographical areas

The segment revenue for the six months ended 30 September 2025 and 2024 are as follows:

	Six months ended 30 September 2025 HK\$'000	2024 HK\$'000
Asia	<u>61,948</u>	<u>49,690</u>

The analysis of revenue by geographical area is based on the destination to which the goods are delivered. Information about the Group's non-current assets is presented based on the geographical location of the assets.

## 5. OTHER INCOME AND GAIN

	Six months ended 30 September 2025 HK\$'000	2024 HK\$'000
Rental income from investment properties	–	–
Gain on deconsolidation of subsidiaries	–	2,473
(Note 10)	–	
Others	<u>–</u>	<u>4</u>
	<u>–</u>	<u>2,477</u>

## 6. EXPENSES BY NATURE

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation of property, plant and equipment	1,345	3,000
Depreciation of right-of-use assets	857	1,199
Employee benefit expenses	5,713	8,578
	<hr/>	<hr/>

## 7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the period. Corporate income tax on profits generated from subsidiaries operating in the PRC has been calculated at 25% in accordance with the relevant PRC tax law and regulations. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current income tax		
— PRC corporate income tax	—	—
	<hr/>	<hr/>
Income tax expense	—	—
	<hr/>	<hr/>

## 8. LOSS PER SHARE

### Basic

Basic loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September 2025	2024
Loss for the period attributable to owners of the Company (HK\$'000)	<u>(19,417)</u>	<u>[24,309]</u>
Weighted average number of ordinary shares in issue	<u>114,556,865</u>	<u>95,466,865</u>
Basic loss per share (HK\$)	<u>(0.17)</u>	<u>[0.25]</u>

### Diluted

There were no dilutive potential ordinary shares during the six months ended 30 September 2025 and 2024. Therefore, the diluted loss per share is the same as the basic loss per share.

## 9. DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2025 (2024: Nil).

## 10. DECONSOLIDATION OF SUBSIDIARIES

### *Deconsolidation of AVITA TECHNOLOGIES INTERNATIONAL CO LTD ("AVITA TECH")*

A winding up petition (the "Petition") was filed with The High Court of the Hong Kong (the "Court") on 29 May 2024 by Avita-Giken Technology Pte Ltd, being the petitioner, against AVITA TECH, an direct partial-owned subsidiary of the Company, under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) applying for the winding up of AVITA TECH.

The Petition was filed against AVITA TECH on the principal ground that AVITA TECH has failed to pay its outstanding debt.

The Petition was heard before the Court on 29 May 2024. On 29 May 2024, AVITA TECH was ordered to be wound up by the Court and an official receiver be appointed as the provisional liquidator of AVITA TECH.

Accordingly, the Group had deconsolidated AVITA TECH Group as the Directors considered that the Group's control over AVITA TECH had been lost on 29 May 2024.

	<i>HK\$'000</i>
Inventories	72
Trade and other receivables	1,970
Bank balances and cash	120
Trade and other payables	(18,928)
	<hr/>
Net assets at date of de-consolidation	(16,766)
Non-controlling interests	14,293
	<hr/>
Net loss on de-consolidation of AVITA TECH	2,473
	<hr/>
Net cash outflow arising from de-consolidation of AVITA TECH	(120)
	<hr/>

## 11. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2025 HK\$'000	31 March 2025 HK\$'000
Non-current		
Prepayments, deposits and other receivables	226	226
Less: loss allowance	—	—
	<u>226</u>	<u>226</u>
Current		
Trade receivables	42,504	49,576
Less: loss allowance	(2,140)	(6,143)
	<u>40,364</u>	<u>43,433</u>
Trade receivables, net		
Prepayments, deposits and other receivables	5,175	10,323
Less: loss allowance	—	(271)
	<u>5,175</u>	<u>10,052</u>
Prepayments, deposits and other receivables, net		
	<u>45,539</u>	<u>53,711</u>

The credit terms given to customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

## 11. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

The fair value of the trade and other receivables are approximate to their carrying amounts. The ageing analysis of trade receivables based on shipping terms is as follows:

	<b>30 September 2025 HK\$'000</b>	31 March 2025 HK\$'000
0-30 days	<b>32,312</b>	33,979
31-60 days	<b>6,221</b>	5,709
61-90 days	<b>1,388</b>	2,217
Over 90 days	<b>443</b>	1,528
	<hr/> <b>40,364</b> <hr/>	<hr/> 43,433 <hr/>

## 12. TRADE AND OTHER PAYABLES

	<b>30 September 2025 HK\$'000</b>	31 March 2025 HK\$'000
Non-current		
Other payables	<hr/> ----- <b>-</b>	<hr/> -----1,111
Current		
Trade payables	<b>9,214</b>	7,338
Other payables and accruals	<hr/> <b>22,447</b>	<hr/> 29,690
	<hr/> <b>31,661</b> <hr/>	<hr/> 37,028 <hr/>
Total	<hr/> <b>31,661</b> <hr/>	<hr/> 38,139 <hr/>



## 12. TRADE AND OTHER PAYABLES (Continued)

The fair value of the trade and other payables approximate to their carrying amounts. The ageing analysis of trade payables based on invoice date is as follows:

	<b>30 September 2025 HK\$'000</b>	<b>31 March 2025 HK\$'000</b>
0–30 days	<b>3,310</b>	832
31–60 days	<b>4,527</b>	328
61–90 days	<b>160</b>	564
Over 90 days	<b>1,217</b>	5,614
	<hr/> <b>9,214</b> <hr/>	<hr/> 7,338 <hr/>

## 13. BANK BORROWINGS

	<b>30 September 2025 HK\$'000</b>	<b>31 March 2025 HK\$'000</b>
Bank borrowing, secured ( <i>Note i</i> )	<hr/> <b>47,528</b> <hr/>	<hr/> 47,528 <hr/>
	<hr/> <b>47,528</b> <hr/>	<hr/> 47,528 <hr/>
	<hr/> <b>47,528</b> <hr/>	<hr/> 47,528 <hr/>

*Note:*

- (i) As at 30 September 2025, the bank borrowing is secured by the Group's buildings, investment properties and leasehold land with aggregate carrying amounts of approximately HK\$87,859,000 (31 March 2025: HK\$89,836,000).

# 14. LOANS FROM SHAREHOLDERS

	30 September 2025 HK\$'000	31 March 2025 HK\$'000
Mr. Leung Wai Sing, Wilson (deceased)	<u>38,052</u>	<u>38,052</u>

The carrying amounts of the loans from shareholders approximate their fair values.

As at 30 September 2025, the loans from shareholders were interest-bearing at a fixed rate of 4% per annum or 1.3% over 1-month HIBOR or LIBOR per annum. Balances of HK\$38,052,000 would be repayable within one year or on demand.

## 15. SHARE CAPITAL

	<b>Company Ordinary Shares</b>	
	<i>Number of shares</i>	<i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.01 each		
As at 1 April 2024, 31 March 2025 and 30 September 2025	30,000,000,000	300,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 1 April 2024	795,568,650	79,557
Effect of capital reorganisation ( <i>Note i</i> )	(779,657,277)	(77,965)
Effect of capital reduction ( <i>Note i</i> )	–	(1,432)
Issue of shares upon rights issue ( <i>Note ii</i> )	63,645,492	636
Placing of new share ( <i>Note iii</i> )	15,910,000	159
Placing of new share ( <i>Note iv</i> )	19,090,000	191
As at 31 March 2025 and 30 September 2025	114,556,865	1,146

*Note:*

- (i) On 10 May 2023, every fifty (50) issued and unissued existing shares of par value of HK\$0.10 each in the authorised share capital of the Company be consolidated into one (1) ordinary share of par value of HK\$5.00 each. Canceled the paid-up share capital to the extent of HK\$4.99 on each issued consolidated share such that the par value of each issued consolidated share will be reduced from HK\$5.00 to HK\$0.01. Further details were mainly set out in the circular dated 17 March 2023.
- (ii) Allotment and issuance of Rights Shares on 24 July 2023 pursuant to the Rights Issue, details of which are set out in the prospectus of the Company dated 13 June 2023.
- (iii) In March 2024, the Company issued a total of 15,910,000 ordinary shares with par value of HK\$0.01 each at a price of HK\$1.96 each. Further details were mainly set out in the announcement dated 8 March 2024.
- (iv) In November 2024, the Company issued a total of 19,090,000 ordinary shares with par value of HK\$0.01 each at a price of HK\$3.49 each. Further details were mainly set out in the announcement dated 20 November 2024.

## 16. CONTINGENT LIABILITIES

The Company provided corporate guarantees in favour of the banks to secure general banking facilities granted to certain of its subsidiaries (Note 14).

## 17. COMMITMENTS

### (a) Capital commitments

	<b>30 September 2025 HK\$'000</b>	31 March 2025 HK\$'000
Capital expenditure in respect of the acquisition of moulds, plant and machinery contracted but not provided for in the condensed consolidated financial statements	—	—

### (b) Operating lease commitments (as lessor)

The Group leases various properties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease rental receivables under non -cancellable operating leases in respect of land and buildings are as follows:

	<b>30 September 2025 HK\$'000</b>	31 March 2025 HK\$'000
Within one year	—	—
After one year but within two years	—	—
After two years but within three years	—	—
	—	—

The lease terms are from one to two years.

# MANAGEMENT DISCUSSION AND ANALYSIS

## *Group results and dividends*

For the six months ended 30 September 2025, the Group recorded turnover of HK\$61 million (2024: HK\$50 million) and loss attributable to owners of HK\$19 million (2024: HK\$24 million) for our continuing operation.

For the period under review, in terms of product segment, revenue of self-branded notebook computers increased 25% to HK\$61 million. The main reasons for the increase were the enhanced product mix with pricing strategy during the period of the electronic products.

During the period under review, the gross margin increase from 9% to 10% compared to same period last year. The improving gross margin was mainly attributed to the reduction in cost of goods sold effected from the strategic transformation from previous self-owned contract processing production method to a more cost-effective OEM/ODM production model.

The enhanced in net result is from HK\$(24) million to HK\$(19) million when, compared to the corresponding period last year. The increase of net result is mainly due to enhanced turnover and gross profit margin for the period.

The directors do not recommend the payment of an interim dividend (2024: Nil) for the 6 months period ended 30 September 2025.

## *Review of Operations*

While there has been a modest improvement in transitioning from in-house manufacturing to outsourcing Original Design Manufacturer (ODM) and Original Equipment Manufacturer (OEM) functions, yielding a gross profit, the Company remains in challenging business environment. Exploring new products and markets has become one of the most important mission for the Company to complete.

The Company still require additional resources to refine operations, including but not limited to strategically leveraging its network from business partners and investors. These collaborations aim to enhance operational efficiency and optimize processes, aligning with the Company's commitment to adaptability and growth.

It is crucial to note that the overall financial picture remains challenging. Disregarding the one-off gain from deconsolidation of subsidiaries, the company still faces a net loss for the period. Caution is advised in both operational and cash flow aspects, given the persistently grim business environment.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### *Review of Operations (Continued)*

To address financial challenges, the company will continue relying on raising funds from the capital market. Although there's a slight improvement in ongoing operations, finding a stable and profitable mode of operation remains a focal point. Efforts will be devoted to navigating these challenges and securing a sustainable and resilient business model for the future.

### *Prospects*

To cope with the unpredictable business environment, the Group will continue to preserve and strive for more financial assets to survive through the hard time. Despite the challenges, the Group is pursuing the following:

- To minimize its operational fixed cost in all functions;
- To seek cooperation opportunities with business partners through the supply chain to share the financial obligation for operating our business;
- To dispose its investment properties, production equipment, lands and offices to generate positive cash flows for operation and to reduce the gearing of the Group;
- To leverage on its track record and explore different commercially viable and profit-making business opportunities;
- To raise funds through capital markets through issue of new shares and bonds.

### *Liquidity and financial resources*

The Group's total deficit and total deficit per share as at 30 September 2025 were HK\$84 million (31 March 2025: HK\$65 million) and HK\$0.73 (31 March 2025: HK\$0.68) respectively.

As at 30 September 2025, we had cash and deposits of HK\$16 million. After deducting bank borrowings of HK\$48 million (31 March 2025: HK\$48 million), provision of financial guarantee of HK\$106 million (31 March 2025: HK\$108 million), loans from shareholders of HK\$38 million (31 March 2025: HK\$38 million) we had net borrowings of HK\$176 million (31 March 2025: net borrowings of HK\$184 million).

As at 30 September 2025, our inventory was HK\$19 million (31 March 2025: HK\$25 million). We take a cautious approach to monitor the inventory level especially during this environment with uncertainty.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### *Liquidity and financial resources (Continued)*

Trade receivables as at 30 September 2025 were HK\$40 million (31 March 2025: HK\$43 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 as at 30 September 2025 were HK\$9 million (31 March 2025: HK\$7 million).

Capital expenditure on fixed assets during the six months ended 30 September 2025 was nil (2024: HK\$Nil). As at 30 September 2025 and 31 March 2025, we had capital commitments contracted but not provided for in respect of property, moulds, plant and machinery and renovation amounting to HK\$Nil.

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 were no speculative activities during the reporting period.

### *Employees*

As at 30 September 2025, the Group had approximately 34 employees in Hong Kong, the PRC and Taiwan. 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.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director(s)	Capacity in which shares were held	Number of Shares	Percentage of the issued share capital of the Company
Mr. Bian Wenbin	Beneficial owner	5,630,000	4.91%

Save as disclosed above, as at 30 September 2025, none of the Directors and chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 30 September 2025, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

Name	Capacity in which shares were held	Number of shares — Long position	Percentage of the issued share capital of the Company
Mr. Bong Ching Chung	Beneficial owner	6,400,000	5.59%
Mr. Yu Jianchu	Beneficial owner	5,746,000	5.02%

Save as disclosed above, as at 30 September 2025, according to the register of interests required to be kept by the Company under Section 336 of Part XV of the SFO, there was no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company" above, who had any interest or short position in the shares or underlying shares of the Company.



## USE OF PROCEEDS FROM THE PLACING/RIGHTS ISSUE

The net proceeds from the placing completed in November 2024 ("Nov 2024 Placing") amounted to approximately HK\$65.2 million respectively.

Use of net proceeds	Net proceeds HK\$'000	Unutilised net proceeds as at 31 March 2025 HK\$'000	Net proceeds utilised during the six months ended 30 September 2025 HK\$'000	Unutilised net proceeds as at 30 September 2025 HK\$'000	Expected timeline on utilisation of Unutilised net proceeds
<b>Nov 2024 Placing</b>					
Repayment of bank and other borrowings and settlement of external debts	58,680	8,576	(8,576)	-	N/A
General working capital	6,520	-	-	-	N/A

There is no material change between the intended use of the net proceeds of the Nov 2024 Placing.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor its subsidiary companies has purchased, sold or redeemed any of the Company's shares for the six months ended 30 September 2025.

## EVENT AFTER REPORTING PERIOD

The Company completed a rights issue on 24 November 2025 and issued 45,822,744 ordinary shares ("Shares") (representing approximately 80% of the issued Shares as enlarged by such allotment) at the price of HK\$3.24 per Share. The Company received net proceeds of approximately HK\$143,938,000. Further information, including the intended use of proceeds, is set out in the Company's announcement dated 21 November 2025.

Save for the above-mentioned matter and up to the date of this interim report, there was no significant event relevant to the business or financial performance of the Group that had come into the attention of the Directors since the end of the interim period for the six months ended 30 September 2025.

## 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 C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the six months ended 30 September 2025.

## 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 C3 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 six months ended 30 September 2025.

## AUDIT COMMITTEE

The interim results of the Group have not been reviewed by external auditors. 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 six months ended 30 September 2025.

The Audit Committee currently comprises three independent non-executive directors of the Company, namely Mr. CHU Hoi Kan, Mr. LAM Chi Wing and Mr. TANG Sher Kin.

## PUBLICATION OF INTERIM REPORT

This interim report is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of Alco Holdings Limited at [www.alco.com.hk](http://www.alco.com.hk).

## LIST OF DIRECTORS

As at the date of this report, the executive directors of the Company are Ms. Liao Liping (Co-Chairman), and Mr. Zheng Yuxing. Non-executive directors of the Company is Mr. Tian Yi (Co-Chairman). Independent non-executive directors of the Company are Mr. Chu Hoi Kan, Mr. Lam Chi Wing and Mr. Tang Sher Kin.

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

Hong Kong, 30 November 2025