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ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 328)



VARITRONIX

VARITRONIX INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTIONS SUPPLEMENTAL AGREEMENT TO THE DISPOSAL OF CERTAIN CORPORATE BONDS ISSUED BY AND SHAREHOLDING INTERESTS IN HYDIS TECHNOLOGIES CO., LTD.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the joint announcement (the “**Announcement**”) of Alco Holdings Limited (“**Alco**”) and Varitronix International Limited (“**Varitronix**”) dated 13 September 2013 in relation to, among other matters, (1) the disposal of the Alco Sale CB and Alco Sale Shares pursuant to the Alco Transfer Agreement and (2) the disposal of the Varitronix Sale CB and Varitronix Sale Shares pursuant to the Varitronix Transfer Agreement. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

SUPPLEMENTAL AGREEMENT TO THE ALCO TRANSFER AGREEMENT

As disclosed in the Announcement, pursuant to the Alco Transfer Agreement entered into among Alco Electronics, Dream Pacific and PVIG (together the “**Alco Transaction Parties**”), the Alco Transaction Parties agreed, among other things, that (1) the completion date of the disposal of the Alco Sale Shares (the “**Alco Sale Shares Completion Date**”) shall be no later than 31 October 2013 and conditional upon the satisfaction of certain conditions precedent stipulated in the Alco Transfer Agreement, which include, among others, the approval of the Investment Commission, MOEA Taiwan has been duly obtained by Dream Pacific for its purchase of Alco Sale Shares; and (2) the completion date of the disposal of the Alco Sale CB (the “**Alco Sale CB Completion Date**”) shall also be the Alco Sale Shares Completion Date.

As the approval from the Investment Commission, MOEA Taiwan cannot be obtained on or before 31 October 2013, the Alco Transaction Parties have agreed to vary certain terms of the Alco Transfer Agreement and entered into a supplemental agreement to the Alco Transfer Agreement (the “**Alco Supplemental Agreement**”) on 31 October 2013 pursuant to which the Alco Transaction Parties agreed to extend the Alco Sale Shares Completion Date, and hence indirectly also extend the Alco Sale CB Completion Date upon the terms and conditions thereof.

SUPPLEMENTAL AGREEMENT TO THE VARITRONIX TRANSFER AGREEMENT

As disclosed in the Announcement, pursuant to the Varitronix Transfer Agreement entered into between Varitronix and Dream Pacific (together the “**Varitronix Transaction Parties**”), the Varitronix Transaction Parties agreed, among other things, that (1) the completion date of the disposal of the Varitronix Sale Shares (the “**Varitronix Sale Shares Completion Date**”) shall be no later than 31 October 2013 and conditional upon the satisfaction of certain conditions precedent stipulated in the Varitronix Transfer Agreement, which include, among others, the approval of the Investment Commission, MOEA Taiwan has been duly obtained by Dream Pacific for its purchase of Varitronix Sale Shares; and (2) the completion date of the disposal of the Varitronix Sale CB (the “**Varitronix Sale CB Completion Date**”) shall also be the Varitronix Sale Shares Completion Date.

As the approval from the Investment Commission, MOEA Taiwan cannot be obtained on or before 31 October 2013, the Varitronix Transaction Parties have agreed to vary certain terms of the Varitronix Transfer Agreement and entered into a supplemental agreement to the Varitronix Transfer Agreement (the “**Varitronix Supplemental Agreement**”) on 31 October 2013 pursuant to which the Varitronix Transaction Parties agreed to extend the Varitronix Sale Shares Completion Date, and hence indirectly also extend the Varitronix Sale CB Completion Date upon the terms and conditions thereof.

AMENDMENTS CONTEMPLATED UNDER THE ALCO SUPPLEMENTAL AGREEMENT

The principal amendments contemplated under the Alco Supplemental Agreement are set out below:

(1) Alco Sale Shares Completion Date

The clause of the Alco Transfer Agreement in relation to the Alco Sale Shares Completion Date would be amended to the effect that the Alco Sale Shares Completion Date will be extended to a date which is expected to be no later than 15 January 2014, subject to all of the conditions as previously set out in the Alco Transfer Agreement shall have been satisfied.

In accordance with the above amendment, the Alco Sale CB Completion Date, which pursuant to the Alco Transfer Agreement shall be at the occurrence of the Alco Sale Shares Completion Date, would also be extended accordingly.

(2) Escrow agent arrangement

In consideration of the extension of the Alco Sale Shares Completion Date and Alco Sale CB Completion Date, the Alco Transaction Parties agreed to amend the payment clause in the Alco Transfer Agreement in relation to the Alco Sale Shares to the effect that the consideration (the “**Alco Sale Share Consideration**”) of US\$2,800,000 shall be payable by Dream Pacific on or before 8 November 2013 (or any other date agreed in writing by the Alco Transaction Parties) to CTBC Bank Co., Ltd., Hong Kong Branch (or any other agent agreed in writing by the Alco Transaction Parties) acting as an escrow agent (the “**Alco Escrow Agent**”) by way of telegraphic transfer to an account as the Alco Escrow Agent may designate. The Alco Escrow Agent shall be mutually appointed by the Alco Transaction Parties and shall hold, deal with and release the Alco Sale Shares Consideration to Alco Electronics on the Alco Sale Shares Completion Date in accordance with the terms and conditions of the escrow agreement, which shall be substantially in the form set out in the schedule to the Alco Supplemental Agreement, and to be entered into by the Alco Transaction Parties on or before 6 November 2013 (or any other date agreed in writing by the Alco Transaction Parties) (the “**Alco Escrow Agreement**”).

Upon written notice from the Alco Escrow Agent to Alco Electronics that it has received the Alco Sale Shares Consideration from Dream Pacific, Alco Electronics will, within seven (7) working days from the date of receipt of the above written notice from the Alco Escrow Agent, deliver to the Alco Escrow Agent to hold on trust (a) all share certificates in respect of the Alco Sale Shares; and (b) the undated letter of resignation duly executed by the director of the Target Company designated by Alco Electronics, with such resignation being effective on the Alco Sale Shares Completion Date, and release the same to Dream Pacific upon the Alco Sale Shares Completion Date.

Furthermore, the Alco Transaction Parties also agreed that an amount equals to the consideration of the Alco Sale CB (“**Alco Sale CB Consideration**”) shall be paid in U.S. Dollars by PVIG on or before 8 November 2013 (or any other date agreed in writing by the Alco Transaction Parties) to the Alco Escrow Agent by way of telegraphic transfer to an account as the Alco Escrow Agent may designate. The Alco Escrow Agent shall hold, deal with and release the Alco Sale CB Consideration back to PVIG on the Alco Sale Shares Completion Date in accordance with the terms and conditions of the Alco Escrow Agreement.

AMENDMENTS CONTEMPLATED UNDER THE VARITRONIX SUPPLEMENTAL AGREEMENT

The principal amendments contemplated under the Varitronix Supplemental Agreement are set out below:

(1) Varitronix Sale Shares Completion Date

The clause of the Varitronix Transfer Agreement in relation to the Varitronix Sale Shares Completion Date would be amended to the effect that the Varitronix Sale Shares Completion Date will be extended to a date which is expected to be no later than 15 January 2014, subject to all of the conditions as previously set out in the Varitronix Transfer Agreement shall have been satisfied.

In accordance with the above amendment, the Varitronix Sale CB Completion Date, which pursuant to the Varitronix Transfer Agreement shall be at the occurrence of the Varitronix Sale Shares Completion Date, would also be extended accordingly.

(2) Escrow agent arrangement

In consideration of the extension of the Varitronix Sale Shares Completion Date and the Varitronix Sale CB Completion Date, the Varitronix Transaction Parties agreed to amend the payment clause in the Varitronix Transfer Agreement in relation to the Varitronix Sale Shares to the effect that the consideration (the “**Varitronix Sale Shares Consideration**”) of US\$2,800,000 shall be payable by Dream Pacific on or before 8 November 2013 (or any other date agreed in writing by the Varitronix Transaction Parties) to CTBC Bank Co., Ltd., Hong Kong Branch (or any other agent agreed in writing by the Varitronix Transaction Parties) acting as an escrow agent (the “**Varitronix Escrow Agent**”) by way of telegraphic transfer to an account as the Varitronix Escrow Agent may designate. The Varitronix Escrow Agent shall be mutually appointed by the Varitronix Transaction Parties and shall hold, deal with and release the Varitronix Sale Shares Consideration to Varitronix on the Varitronix Sale Shares Completion Date in accordance with the terms and conditions of the escrow agreement, which shall be substantially in the form set out in the schedule to the Varitronix Supplemental Agreement, and to be entered into by the Varitronix Transaction Parties on or before 6 November 2013 (or any other date agreed in writing by the Varitronix Transaction Parties) (the “**Varitronix Escrow Agreement**”).

Upon written notice from the Varitronix Escrow Agent to Varitronix that it has received the Varitronix Sale Shares Consideration from Dream Pacific, Varitronix will, within seven (7) working days from the date of receipt of the above written notice from the Varitronix Escrow Agent, deliver to the Varitronix Escrow Agent to hold on trust (a) all share certificates in respect of the Varitronix Sale Shares; and (b) the undated letter of resignation duly executed by the director of the Target

Company designated by Varitronix, with such resignation being effective on the Varitronix Sale Shares Completion Date, and release the same to Dream Pacific upon the Varitronix Sale Shares Completion Date.

Furthermore, the Varitronix Transaction Parties also agreed that an amount equals to the consideration of the Varitronix Sale CB (“**Varitronix Sale CB Consideration**”) shall be paid in U.S. Dollars by Dream Pacific on or before 8 November 2013 (or any other date agreed in writing by the Varitronix Transaction Parties) to the Varitronix Escrow Agent by way of telegraphic transfer to an account as the Varitronix Escrow Agent may designate. The Varitronix Escrow Agent shall hold, deal with and release the Varitronix Sale CB Consideration back to Dream Pacific on the Varitronix Sale Shares Completion Date in accordance with the terms and conditions of the Varitronix Escrow Agreement.

EXTENSION OF THE MATURITY DATE OF THE ALCO SALE CB AND THE VARITRONIX SALE CB

In furtherance of the arrangements under the Alco Supplemental Agreement, the Alco Directors announce that on 31 October 2013 Alco Electronics and the Target Company entered into a corporate bond extension agreement, pursuant to which the maturity date of the Alco Sale CB would be extended to 15 January 2014. The transaction contemplated under such corporate bond extension agreement constitutes a discloseable transaction of Alco pursuant to Rule 14.06(2) of the Listing Rules. Alco will inform the Stock Exchange and publish an announcement in respect of the same in full compliance with Rule 14.34 of the Listing Rules.

In furtherance of the arrangements under the Varitronix Supplemental Agreement, the Varitronix Directors announce that on 31 October 2013 Varitronix and the Target Company entered into a corporate bond extension agreement, pursuant to which the maturity date of the Varitronix Sale CB would be extended to 15 January 2014. The transaction contemplated under such corporate bond extension agreement does not constitute any notifiable transaction of Varitronix under Chapter 14 of the Listing Rules.

GENERAL

Save as disclosed above, all other terms of the Alco Transfer Agreement and Varitronix Transfer Agreement remain unchanged and continue to be in full force and effect.

The terms of the Alco Supplemental Agreement were arrived at between the Alco Transaction Parties after arm’s length negotiation. The Alco Directors consider that the terms of the Alco Supplemental Agreement are fair and reasonable and in the interest of Alco and its shareholders as a whole.

The terms of the Varitronix Supplemental Agreement were arrived at between the Varitronix Transaction Parties after arm's length negotiation. The Varitronix Directors consider that the terms of the Varitronix Supplemental Agreement are fair and reasonable and in the interest of Varitronix and its shareholders as a whole.

By order of the board
Alco Holdings Limited
Leung Kai Ching, Kimen
Chairman

By order of the board
Varitronix International Limited
Ko Chun Shun, Johnson
Chairman

Hong Kong, 31 October 2013

The board compositions of each of Alco and Varitronix as at the date of this announcement are as follows:

ALCO

Executive directors:

Mr. Leung Kai Ching, Kimen
Mr. Leung Wai Sing, Wilson
Mr. Kuok Kun Man, Andrew
Mr. Leung, Jimmy
Mr. Liu Lup Man

Independent non-executive directors:

Mr. Li Wah Ming, Fred
Mr. Lau Wang Yip, Derrick
Mr. Lee Tak Chi

VARITRONIX

Executive directors:

Mr. Ko Chun Shun, Johnson
Mr. Tsoi Tong Hoo, Tony
Mr. Yuen Kin
Mr. Ho Te Hwai, Cecil

Independent non-executive directors:

Dr. Lo Wing Yan, William J.P.
Mr. Chau Shing Yim, David
Mr. Hou Ziqiang