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## **ALLTRONICS HOLDINGS LIMITED**

**華訊股份有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 833)**

### **UPDATE ON VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF BONROY LIMITED AND PROFIT WARNING**

This announcement is made by Alltronics Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 20 December 2018, 15 January 2019, 20 March 2019, 15 April 2019 and 2 May 2019 (the “**Announcements**”) and the circular of the Company dated 27 February 2019 (the “**Circular**”) in relation to, among other things, the Disposal and the Debt Undertaking. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

As disclosed in the Announcements, the First Payment Date of the Consideration has been extended from 15 January 2019 to 15 April 2019 and subsequently from 15 April 2019 to 31 July 2019 (the “**Extended First Payment Date**”).

The Company has received a letter from the Purchaser dated 30 July 2019 that as the Purchaser requires additional time to obtain approval for outbound direct investment from the relevant regulatory authorities of the PRC for remittance of funds to pay the Consideration, the Purchaser has requested to revise and extend the payment terms of the Consideration of a total amount of RMB100 million to be settled in one lump sum no later than 31 January 2020. At the Purchaser’s previous requests on 15 January 2019 and on 15 April 2019 respectively and having considered its circumstances, the Company had agreed to extend the First Payment Date twice (i.e. from 15 January 2019 to 15 April 2019 and from 15 April 2019 to 31 July 2019) to allow the Purchaser to have additional time to arrange to settle the Consideration. However, the Purchaser failed to settle the Consideration by the Extended First Payment Date as agreed. The Board has resolved that the said proposed payment terms requested by the Purchaser to settle the Consideration in one lump sum no later than 31 January 2020 will not be agreed.

The Board is consulting the legal adviser of the Company in respect of possible actions to be taken to safeguard the interests of the Group, including but not limited to (i) any legal actions to be taken against the Purchaser and the Guarantor to demand payment of the outstanding Consideration and the Debt pursuant to the Sale and Purchase Agreement and the Debt Undertaking; or (ii) to request the Purchaser and the Guarantor to mortgage Beijing Property as collateral. Further announcement(s) will be made by the Company to keep its shareholders and potential investors informed of any material development as and when appropriate.

In view of the uncertainty regarding the recoverability of the Consideration and the Debt, which in aggregate amounted to approximately HK\$362 million, the Group is currently in the process of assessing the expected impairment loss on the Consideration and the Debt due to potential defaults by the Purchaser and the Guarantor, and the amount of such impairment loss to be recognised in the consolidated management accounts of the Group for the six months ended 30 June 2019, if any. Based on the above, the Group may record a substantial loss in the consolidated management accounts for the six months ended 30 June 2019.

The Board wishes to inform the shareholders of the Company and potential investors that the Group's core manufacturing business operations have remained stable during the six months ended 30 June 2019. As at the date of this announcement, the Company is still in the process of assessing the expected impairment loss on the Consideration and the Debt, if any, and is finalising the consolidated interim results of the Group for the six months ended 30 June 2019. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available to the Board which have not been audited or reviewed by the auditor of the Company nor reviewed by the audit committee of the Company, and may subject to adjustments. Financial information and other operating details of the Group will be disclosed in the interim results announcement of the Group for the six months ended 30 June 2019, which is expected to be published by the end of August 2019. Shareholders of the Company and potential investors are advised to read the interim results announcement carefully when it is published. Further announcement(s) will be made by the Company to keep its shareholders and potential investors informed of any material development as and when appropriate.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Alltronics Holdings Limited**  
**Lam Yin Kee**  
*Chairman*

Hong Kong, 30 July 2019

*As at the date of this announcement, Mr. Lam Yin Kee, Ms. Yeung Po Wah, Ms. Liu Jing, Mr. Lam Chee Tai, Eric, Mr. So Kin Hung and Mr. Meng Fei (executive duties suspended) are the executive Directors; Mr. Fan, William Chung Yue is the non-executive Director; and Mr. Pang Kwong Wah, Mr. Yau Ming Kim, Robert, Mr. Yen Yuen Ho, Tony and Mr. Lin Kam Sui are the independent non-executive Directors.*