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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 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, 2 May 2019 and 30 July 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.

In the announcement dated 30 July 2019, the Board advised that in view of the uncertainty regarding the recoverability of the Consideration and the Debt, the Group may record a substantial loss in the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019. Based on subsequent negotiations with the Purchaser and further financial information of the Guarantor as provided by the Purchaser, management of the Group performed a preliminary impairment assessment on the Consideration and the Debt. Based on the management’s impairment assessment and the Purchaser’s default in the first payment of the Consideration due on 31 July 2019, a full impairment charge of the Consideration of approximately HK\$114 million is expected to be recognised in the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019. The due date of the Debt is 15 April 2020, which is one year after the Completion Date. Based on the review of the information currently available, management of the Group believes that the Purchaser and/or the Guarantor have both the intention and ability to settle the Debt on the due date. On this basis, no impairment loss on the Debt is considered necessary in the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019. The Company is consulting its legal adviser in respect of the possible actions to be taken against the Purchaser and/or the Guarantor and will continue its negotiations with the Purchaser and/or the Guarantor as to the settlement of the Consideration. However, no agreement or material terms in relation to the settlement of the Consideration have been entered into or agreed between the Group and the Purchaser and/or the Guarantor as of the date of this announcement. The Company will closely monitor the situation and 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.

Based on the above impairment assessment and the review of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, the Group is expected to record a loss of approximately HK\$17 million for the six months ended 30 June 2019, as compared to a profit of HK\$35 million for the six months ended 30 June 2018. 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.

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 be 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 on 30 August 2019. Shareholders of the Company and potential investors are advised to read the interim results announcement carefully when it is published.

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, 26 August 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.