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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, 2 May 2019, 30 July 2019, 26 August 2019 and 8 November 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.

UPDATE ON SETTLEMENT OF OVERDUE CONSIDERATION

On 14 November 2019, the Group served a statutory demand on the Purchaser demanding full settlement of the Consideration of RMB100,000,000 and accrued interests thereon of approximately RMB501,370, within 3 weeks after service of the said statutory demand. As of the date of this announcement, the Group has not received any reply from the Purchaser, and the board (the “**Board**”) of directors of the Company is currently in discussion with the Company’s legal adviser to consider further actions to be taken against the Purchaser and/or the Guarantor, including filing a winding-up petition against the Purchaser.

UPDATE ON SETTLEMENT OF DEBT

(1) Pursuant to the debt assignment deed (債權債務結算與清償協議) dated 20 September 2019 entered into between the Company, Alltronics Energy Saving (Shenzhen) Limited* (“**Alltronics Energy Saving**”, 華訊節能科技(深圳)有限公司, being an indirect wholly-owned subsidiary of the Company), Beijing Wan Heng Da and the Guarantor, Beijing Wan Heng Da should pay RMB30 million to Alltronics Energy Saving before 31 December 2019. As of the date of this announcement, Alltronics Energy Saving has not received the said amount of RMB30 million from Beijing Wan Heng Da.

(2) On 2 January 2020, Alltronics Energy Saving, as the plaintiff, commenced civil action in the PRC by filing an official civil complaint* (民事起訴狀) (the “**Complaint**”) at the Shenzhen Intermediate People’s Court* (深圳市中級人民法院). The defendants of the Complaint were Beijing Wan Heng Da, the Guarantor and 北京太陽飄亮商業管理有限公司 (the sole tenant of the Beijing Property). Under the Complaint, Alltronics Energy Saving claimed against the parties for immediate settlement of all overdue debt, and for enforcement of the Pledge Agreement dated 20 September 2019. The Complaint is currently being processed by the Shenzhen Intermediate People’s Court and no date for hearing has been fixed as at the date of this announcement.

PROFIT WARNING

The Group has made full impairment loss for the Consideration of RMB100 million in the interim results for the six months ended 30 June 2019. In view of the uncertainty regarding the recoverability of the Debt, which in aggregate amounted to approximately HK\$248 million as at 30 June 2019, the Group is currently in the process of assessing any expected impairment loss on the Debt due to potential defaults by Beijing Wan Heng Da and the Guarantor. If full impairment loss for the Debt is required, the Group may record a substantial loss in the consolidated management accounts for the year ended 31 December 2019.

As at the date of this announcement, the Company is still in the process of assessing the expected impairment loss on the Debt, if any, and is finalising the consolidated annual results of the Group for the year ended 31 December 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 annual results announcement of the Group for the year ended 31 December 2019, which is expected to be published by the end of March 2020. Shareholders of the Company and potential investors are advised to read the annual results announcement carefully when it is published.

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.

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

** For identification purpose only*

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

Hong Kong, 10 January 2020

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.