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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)**

### **PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

#### **PROPOSED SHARE CONSOLIDATION**

The Board proposed to conduct the Share Consolidation on the basis that every two (2) Existing Shares of par value of HK\$0.01 each in the issued and unissued share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.02 each. As at the date of this announcement, there are 946,116,360 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 473,058,180 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$100,000,000 but will be divided into 5,000,000,000 Consolidated Shares of HK\$0.02 each.

#### **PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 1,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 1,000 Existing Shares to 4,000 Consolidated Shares.

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation and the notice convening the EGM is expected to be despatched to the Shareholders on or before Friday, 30 September 2022.

**Shareholders should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **PROPOSED SHARE CONSOLIDATION**

The Board proposed to conduct the Share Consolidation on the basis that every two (2) Existing Shares in the issued and unissued share capital of the Company will be consolidated into one (1) Consolidated Share.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.01 each, of which 946,116,360 Existing Shares have been issued as fully paid or credited as fully paid. Assuming no further Shares will be allotted, issued or repurchased from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 473,058,180 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$100,000,000 but will be divided into 5,000,000,000 Consolidated Shares of HK\$0.02 each. The Company does not have any outstanding Share Options and no warrants or other securities in issue which are convertible or exchangeable into Shares as at the date of this announcement.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Implementation of the Share Consolidation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Share Consolidation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid-up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

### **Conditions of the Share Consolidation**

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of Cayman Islands and the Listing Rules to effect the Share Consolidation.

Subject to the fulfillment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on 24 October 2022, being the second Business Day after the EGM.

### **Listing and dealings**

An application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Consolidated Shares will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Adjustments in relation to other securities of the Company**

A share option scheme (the “**Share Option Scheme**”) was approved and adopted by the Shareholders on 7 June 2016. Since the adoption date of the Share Option Scheme and up to the date of this announcement, no Share Option has been granted by the Company under the Share Option Scheme. As at the date of this announcement, there are no outstanding share options entitling the holders thereof to subscribe for any Existing Share under the Share Option Scheme. The Company will make further announcement(s) as and when appropriate on any adjustments to be made as a result of the Share Consolidation to the exercise price and the aggregate number of Shares to be allotted and issued upon exercise of the subscription rights attaching to any of the share options under the Share Option Scheme.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

### **PROPOSED CHANGE IN BOARD LOT SIZE**

The Existing Shares are currently trading in board lot size of 1,000 Existing Shares. Based on the closing price of HK\$0.305 per Existing Share on the date of this announcement, the board lot value of 1,000 Existing Shares is only HK\$305. The Board proposes to change the board lot size to 4,000 Consolidated Shares upon the Share Consolidation becoming effective, such that the board lot value is over HK\$2,000.

## **REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE**

It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. The Company believes that this will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors, and thus further broaden the shareholder base of the Company.

According to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Stock Exchange on 28 November 2008 and updated on 1 October 2020, taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000. Based on the closing price of HK\$0.305 per Existing Share and board lot size of 1,000 Existing Shares as at the date of this announcement, the existing board lot value is HK\$305, which is lower than HK\$2,000. The Board considers that after the Share Consolidation (resulting in a theoretical price of HK\$0.61 per Consolidated Share) and the change in board lot size to 4,000 Consolidated Shares became effective, the estimated board lot value will be HK2,440. This would enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Consolidated Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge minimum transaction costs for each securities transaction.

The Board considers that the Share Consolidation would maintain the transaction amount for each board lot at a reasonable level in order to attract more investors and extend the base of the Shareholders, and thus provide flexibility for equity fund raising of the Company in the future. Accordingly, the Company considers the Share Consolidation and Change of Board Lot Size are justifiable, notwithstanding the costs incurred by the Company and the impact arising from the creation of odd lots to the Shareholders. The Board considers that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no current plans for, or intention to conduct, any other corporate actions (such as share consolidation, sub-division or change in board lot size) which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next twelve months. However, the Company is from time to time looking for strategic investors to broaden their investor base and will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

## **OTHER ARRANGEMENTS**

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

### **Exchange of certificates for Consolidated Shares**

Subject to the Share Consolidation becoming effective, which is currently expected to be Monday, 24 October 2022, Shareholders may on or after Monday, 24 October 2022 and until Tuesday, 29 November 2022 (both days inclusive), submit their existing share certificates in light blue colour for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for new share certificates in yellow colour for the Consolidated Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.5 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for exchange of new share certificates.

After 4:10 p.m. on Friday, 25 November 2022, trading will only be in Consolidated Shares which share certificates will be issued in yellow colour. Existing share certificates in light blue colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

## EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

**2022**

Despatch date of circular with notice of the EGM ..... On or before Friday,  
30 September

Latest time for lodging transfers of shares in order to  
qualify for attendance and voting at the EGM ..... 4:30 p.m. on Friday,  
14 October

Register of members closes (both days inclusive) ..... Monday, 17 October to  
Thursday, 20 October

Latest time for lodging forms of proxy for the EGM ..... 11:00 a.m. on Tuesday,  
18 October

Date and time of the EGM ..... 11:00 a.m. on Thursday, 20 October

Publication of the announcement of the results of the EGM ..... Thursday, 20 October

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.**

Effective date of the Share Consolidation ..... Monday, 24 October

First day of free exchange of existing share certificates  
for new share certificates for Consolidated Shares ..... Monday, 24 October

Dealing in the Consolidated Shares commences ..... 9:00 a.m. on Monday, 24 October

Original counter for trading in the Existing Share in board lots of 1,000 Existing Shares (in the form of existing share certificates) temporarily closes ..... 9:00 a.m. on Monday, 24 October

Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) opens ..... 9:00 a.m. on Monday, 24 October

Original counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of new share certificates for the Consolidation Shares) re-opens ..... 9:00 a.m. on Monday, 7 November

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences ..... 9:00 a.m. on Monday, 7 November

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares ..... 9:00 a.m. on Monday, 7 November

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares ..... 4:00 p.m. on Friday, 25 November

Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) closes ..... 4:10 p.m. on Friday, 25 November



Parallel trading in the Consolidated Shares

(in the form of new share certificates for the Consolidation Shares

and existing share certificates) ends ..... 4:10 p.m. on Friday,  
25 November

Last day for free exchange of existing share certificates

for new share certificates for the Consolidated Shares ..... 4:30 p.m. on Tuesday,  
29 November

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation and the notice convening the EGM is expected to be despatched to the Shareholders on or before Friday, 30 September 2022.

**Shareholders should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board” the board of Directors

“Business Day” a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted, “extreme condition” caused by super typhoons or on which a “black” rainstorm warning is issued between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours

“CCASS” the Central Clearing and Settlement System established and operated by HKSCC

“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size for trading on the Stock Exchange from 1,000 Existing Shares to 4,000 Consolidated Shares upon Share Consolidation becoming effective
“Company”	Alltronics Holdings Limited, a company incorporated in the Cayman Islands with limited liability and Shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Consolidation
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the Republic of China

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Share Consolidation”	the proposed consolidation of every two (2) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	Registered holder(s) of the issued Shares of the Company
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Share Option(s)”	share option(s) granted under the Share Option Scheme entitling the holders thereof to subscribe for Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 7 June 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 30 August 2022

*As at the date of this announcement, Mr. Lam Yin Kee, Mr. Lam Chee Tai, Eric, Ms. Yeung Po Wah, Mr. So Kin Hung and Ms. Lam Oi Yan, Ivy are the executive Directors of the Company; Mr. Fan, William Chung Yue is the non-executive Director of the Company; 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 of the Company.*