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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)

INSIDE INFORMATION UPDATE ON LITIGATION INVOLVING A SUBSIDIARY

This announcement is made by Alltronics Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 14 September 2021, 12 October 2021, 20 January 2022, 21 February 2022, 25 February 2022, 6 April 2022 and 3 May 2022 (the “**Announcements**”) in relation to a litigation involving a subsidiary. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

Shenzhen Allcomm was informed by the legal adviser handling the Litigation that it has received a civil judgement dated 1 August 2022 (the “**Judgement**”) from Dongguan No. 3 People’s Court* (東莞市第三人民法院) (the “**Court**”). The Court conducted the first instance trial of the case in relation to the claims made by the Plaintiff against Shenzhen Allcomm for non-payment of Purchase Orders. In the Judgement, the Court has made the following rulings:

1. The contract between the Plaintiff and Shenzhen Allcomm in relation to the Purchase Orders be terminated;
2. Shenzhen Allcomm to pay RMB9,476,532.75 to the Plaintiff in compensation for the non-payment of finished goods and the loss incurred from production of partially finished goods and purchase of raw materials;
3. Shenzhen Allcomm to pay compensation for late payment to the Plaintiff, which is to be calculated at 5.775% per annum on RMB9,476,532.75 covering the period from 6 August 2021 to the date of full payment;

4. Shenzhen Allcomm to take back all the inventories (including finished goods, partially finished goods and raw materials) under the Purchase Orders, provided that if the actual type or quantity of any finished goods, partially finished goods and raw materials received by Shenzhen Allcomm deviates from the list of inventories as submitted by the Plaintiff to the Court, Shenzhen Allcomm is entitled to deduct the costs of such inventories from the compensation amount of RMB9,476,532.75 as mentioned above;
5. Shenzhen Allcomm to pay storage fee of finished goods, partially finished goods and raw materials to the Plaintiff, which is to be calculated at RMB22,240 per month and for the period from 1 November 2020 up to the date the inventories are taken back by Shenzhen Allcomm; and
6. All other claims made by the Plaintiff are dismissed.

The Court also ordered that Shenzhen Allcomm shall pay for application fee of RMB75,768 and property preservation fee of RMB4,479.

Shenzhen Allcomm can appeal to the Judgement within 15 days after the Judgement is delivered. Shenzhen Allcomm is currently seeking legal advice from its legal adviser handling the Litigation to determine whether to file the appeal to the Court. The Company believes that the Judgement will not have any material adverse effect on the Group and the business and operations of the Group will remain normal. The Company will keep the shareholders and potential investors of the Company informed of any further material development by way of announcement 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, 13 September 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; 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.