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DATRONIX HOLDINGS LIMITED
連達科技控股有限公司*
(incorporated in Bermuda with limited liability)
(Stock Code: 889)

CONTINUING CONNECTED TRANSACTIONS
NEW MASTER SUPPLY AGREEMENT

Reference is made to the announcement of the Company dated 19 October 2022 in relation to, among others, the Existing Master Supply Agreement. As the Existing Master Supply Agreement will expire on 31 December 2025, the New Master Supply Agreement was entered into for the renewal of the Existing Master Supply Agreement.

On 10 October 2025, the Company has entered into the New Master Supply Agreement with Datatronics Romoland, pursuant to which the Group agreed to sell and/or supply and Datatronics Romoland agreed to purchase magnetic components on substantially the same terms as those in the Existing Master Supply Agreement for a term of three years up to 31 December 2028.

As at the date of this announcement, Datatronics Romoland is wholly owned by the Late Mr. Siu Paul Y., the controlling shareholder of the Company, who together with his spouse holding approximately 72.32% of the entire issued shares of the Company through Onboard Technology Limited. Datatronics Romoland is an associate of the Late Mr. Siu Paul Y. and hence a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the New Master Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the proposed Annual Caps contemplated under the New Master Supply Agreement exceed 5%, the New Master Supply Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 19 October 2022 in relation to, among others, the Existing Master Supply Agreement. As the Existing Master Supply Agreement will expire on 31 December 2025, the New Master Supply Agreement was entered into for the renewal of the Existing Master Supply Agreement.

THE NEW MASTER SUPPLY AGREEMENT

Principal terms

On 10 October 2025, the Company has entered into the New Master Supply Agreement with Datatronics Romoland, pursuant to which the Group agreed to sell and/or supply and Datatronics Romoland agreed to purchase magnetic components on substantially the same terms as those in the Existing Master Supply Agreement for a term of three years up to 31 December 2028.

Pricing policy

The selling prices of the magnetic components under the New Master Supply Agreement are to be agreed between the Group and Datatronics Romoland. The Group will determine the selling price of the magnetic components required by Datatronics Romoland according to the Group's pricing policy, which has taken into account the engineering efforts, raw materials, labour skill and time involved, on normal commercial terms and at arm's length basis. The Group was granted a right of first refusal to the effect that Datatronics Romoland may source supply of the magnetic components from third-party suppliers only if the Group does not accept the order, provided that the terms should not be more favourable than those offered to the Group.

Payment terms

The Group offers credit sales to Datatronics Romoland with payment term of 30 days while the payment term offered to other independent third-party customers of the Group ranges from 30 to 90 days. The payment terms and other terms of the Continuing Connected Transactions offered by the Group are no less favourable to the Group than those offered to other independent third-party customers of the Group.

Condition precedent

The New Master Supply Agreement is conditional upon approval by the Independent Shareholders at the SGM in accordance with the requirements of the Listing Rules.

Historical amount

The Board has been carefully monitoring the historical transaction amounts under the Existing Master Supply Agreement. The table below sets out the annual caps for each of the three years ending 31 December 2025 and the historical transaction amounts for each of the two years ended 31 December 2024 and the eight months ended 31 August 2025 under the Existing Master Supply Agreement:

	For the year ended 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Annual Cap under the Existing Master Supply Agreement	65,000	70,000	75,000
Historical transaction amounts under the Existing Master Supply Agreement	35,613	34,701	18,305 (up to 31 August 2025)

Annual Caps

The below table sets out the proposed Annual Caps of the Continuing Connected Transactions for each of the three years ending 31 December 2028 under the New Master Supply Agreement:

	For the year ending 31 December		
	2026	**2027**	**2028**
	HK$'000	*HK$'000*	*HK$'000*
Proposed Annual Cap	40,000	44,000	48,000

The above proposed annual caps for each of the three years ending 31 December 2028 are determined by the Directors by reference to:

(i) the historical transaction amounts made pursuant to the Existing Master Supply Agreement of approximately HK$35.6 million, HK$34.7 million and HK$18.3 million for the two years ended 31 December 2024 and the eight months ended 31 August 2025. The forecast transaction amounts for the year ending 31 December 2025 of approximately HK$27.5 million are based on the annualised transactions amounts of the transactions made pursuant to the Existing Master Supply Agreement for the eight months ended 31 August 2025 of approximately HK$18.3 million and the Directors consider that the relatively low level of sales to Datatronics Romoland in the eight months ended 31 August 2025 was attributable to the tariff policy after the change of the US President in early 2025;

(ii) the reciprocal tariffs may change from time to time, depending on the evolving relationship between the US and the PRC. As the US remains as the Group's major market, the continuous growth of its technology sector is also expected to drive demand for magnetic component products;

(iii) the expected growth of approximately 10% in demand of magnetic components from Datatronics Romoland for the year ending 31 December 2026 and the approximately 32% buffer to cater for the unanticipated increase in demand of magnetic components from Datatronics Romoland taking into account of factors as stated in (ii) above; and

(iv) the expected growth of approximately 10.0% and 9.1% in demand of magnetic components from Datatronics Romoland for the years ending 31 December 2027 and 2028, respectively.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group is principally engaged in the design, manufacture and sales of magnetic components to customers mainly in the US. Its products are applied in communications and networking equipment, data processing, industrial applications and medical equipment and devices, among others.

The Directors consider that entering into the New Master Supply Agreement for further Continuing Connected Transaction would constitute a good opportunity for the Company to generate stable income by carrying out the sales transactions to satisfy Datatronics Romoland's orders and it is in the interests of the Company and the Shareholders as a whole and the pricing term thereunder are on normal commercial terms, which are fair, reasonable and beneficial to the Group.

Datatronics Romoland is a company incorporated in the State of California, the US, with limited liability and is a supplier of high reliability magnetics to the medical and aviation industries in the US. To the best knowledge, information and belief of the Directors, Datatronics Romoland is one of the few reputable suppliers of high reliability magnetics to the US medical and aviation industries and the Group is the sole supplier of high reliability magnetic components to Datatronics Romoland. As the products sourced by Datatronics Romoland are tailor-made and require more advanced and sophisticated technology and skills to manufacture than the products required by other independent third-party customers of the Group, the Group can obtain a higher profit margin. According to the historical records of the transactions between the Group and Datatronics Romoland, the profit margin for the sales of such high reliability magnetic components to Datatronics Romoland was substantially higher than those for sales to other independent third-party customers. Moreover, Datatronics Romoland has a good track record for making payment to the Group on a timely basis. Furthermore, Datatronics Romoland is the supplier to the end customers in the US medical-related and aviation markets. The end customers recognize the Group as the manufacturer of the magnetic products supplied by Datatronics Romoland. In order to minimize the insurance, transportation and customer service costs as well as the related time costs which would be incurred in the direct sales by the Group from Hong Kong to the end customers in the US, the Group has elected to sell the products to various end customers in the US via Datatronics Romoland.

The New Master Supply Agreement was entered into in the usual and ordinary course of the Group's business and the terms of which were negotiated based on normal commercial terms and the prices were determined after arm's length negotiation and on terms which the Group considers to be no less favourable than those terms offered to its independent third-party customers.

The Board (excluding the independent non-executive Directors whose view will be rendered upon receiving the advice of the Independent Financial Adviser) is of the view that the New Master Supply Agreement has been entered into on normal commercial terms, in the ordinary and usual course of business of the Company and the Group with terms no less favourable to the Company and the Group than those offered to other independent third-party customers of the Group and is fair and reasonable to the Shareholders taken as a whole and it is in the interest of the Company and the Group to continue the Continuing Connected Transactions upon the terms and conditions set out in the New Master Supply Agreement.

IMPLICATION UNDER THE LISTING RULES

As Datatronics Romoland is wholly owned by the Late Mr. Siu Paul Y., the controlling Shareholder of the Company, who together with his spouse holding approximately 72.32% of the entire issued shares of the Company through Onboard Technology Limited. Datatronics Romoland is an associate of the Late Mr. Siu Paul Y. and hence a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the New Master Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the proposed Annual Caps contemplated under the New Master Supply Agreement will exceed 5%, the New Master Supply Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES

In order to ensure the transactions are conducted in accordance with the Company's pricing mechanism, quotation can only be approved by Managing Director or General Manager. All sales transactions of the Group with Datatronics Romoland would be reported to the management of the Company and the Group on a monthly basis. To ensure the transactions are in the interests of the Group and its shareholders, monthly reviews of sales transactions and gross margin will be conducted to ensure that the terms of the transactions are no less favourable than those available to other independent third-party customers.

Analysis of sales by customers and by region and end application markets analysis would be made quarterly to enable the management to closely monitor and ensure that the Continuing Connected Transactions would comply with all requirements. The sales administration team of the Group would closely monitor the sales under the Continuing Connected Transactions and report to the management of the Company and the Group on a monthly basis to ensure that the pricing policy, terms of the Continuing Connected Transactions and the Annual Caps would be complied with. In addition, the Group will continually explore and diversify its market base in other parts of the global market with the aim to minimize the Group's reliance on Datatronics Romoland.

Internal audit of the Continuing Connected Transactions review by the audit committee and the external auditor would be carried out to scrutinize the Continuing Connected Transactions to ensure that the Continuing Connected Transactions do not exceed the respective Annual Caps and to prevent over-reliance by the Group on the Continuing Connected Transactions. Auditors of the Group would review annually to confirm the transaction is conducted in accordance with the Group's pricing policy.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to, among other things, the New Master Supply Agreement and the transactions and matters contemplated thereunder and on how to vote. Messis Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

SGM

The SGM will be convened by the Company to seek approval from the Independent Shareholders in respect of the New Master Supply Agreement and the transactions contemplated thereunder (including the proposed Annual Caps) by way of poll. Save for the Late Mr. Siu Paul Y. and his respective associates, none of the Shareholders will be required to abstain from voting at the SGM in respect of the ordinary resolution(s) to approve the Continuing Connected Transaction.

A circular containing, among other matters, (i) details of the New Master Supply Agreement and the transactions contemplated thereunder; (ii) the advice and recommendations from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the New Master Supply Agreement and the transactions contemplated thereunder, as well as the proposed Annual Caps; and (iv) the notice of SGM will be despatched to the Shareholders on or before 31 October 2025.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Annual Cap(s)"	the annual limit of the aggregate consideration of the Continuing Connected Transactions
"associates"	has the meaning ascribed thereto in the Listing Rules
"Board"	the board of Directors
"Company"	Datronix Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 889)
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Continuing Connected Transaction(s)"	the transactions under the New Master Supply Agreement
""Datatronics Romoland"	Datatronics Romoland, Inc., a company incorporated in the State of California, US, with limited liability and is a company 100% owned by the Late Mr. Siu Paul Y.
"Director(s)"	the director(s) of the Company
"Existing Master Supply Agreement"	the agreement entered into by the Company and Datatronics Romoland on 19 October 2022 in respect of the supply of magnetic components from the Group to Datatronics Romoland for the three years ending 31 December 2025
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	the independent board committee of the Company, comprising all the independent non-executive Directors to be established to advise the Independent Shareholders on the New Master Supply Agreement and the proposed Annual Caps
"Independent Financial Adviser"	Messis Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the New Master Supply Agreement and the proposed Annual Caps
"Independent Shareholders"	Shareholders other than the Late Mr. Siu Paul Y. and his associates as defined in the Listing Rules
"Late Mr. Siu Paul Y."	the late Mr. Siu Paul Y., the controlling shareholder of the Company who together with his spouse hold 72.32% of the issued shares of the Company through Onboard Technology Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Master Supply Agreement"	the agreement entered into by the Group and Datatronics Romoland on 10 October 2025 in respect of the supply of magnetic components from the Group to Datatronics Romoland for the three years ending 31 December 2028
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and approving the New Master Supply Agreement and the respective Annual Caps for the three years ending 31 December 2028
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"%"	per cent.

By order of the Board
SHEUNG Shing Fai
Executive Director

Hong Kong, 10 October 2025

As at the date of this announcement, the Board of the Company comprises Mr. Siu Ronald (Chairman), Ms. Shui Wai Mei (Vice-Chairman), Mr. Sheung Shing Fai and Ms. Siu Nina Margaret as Executive Directors, and Mr. Lee Kit Wah, Mr. Wong Wah Sang, Derek and Mr. Won Chik Kee as Independent Non-executive Directors.

**For identification purposes only*