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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 ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 31 October 2016 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Investor, pursuant to which the Investor has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 23,437,980 Subscription Shares at the Subscription Price of HK$1.49 per Subscription Share.

The Subscription Shares represent approximately 5.21% of the total issued share capital of the Company as at the date of this announcement, and approximately 4.95% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. If the subscription by Lijiang pursuant to the subscription agreement dated 17 August 2016 entered into between the Company and Lijiang is completed before the allotment and issue of the Subscription Shares, the Subscription Shares will represent approximately 4.46% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The Subscription Shares shall be allotted and issued under the Specific Mandate to be sought at the EGM.

The gross proceeds from the Subscription will be approximately HK$34.9 million. The net proceeds, after deducting all relevant costs and expenses, will be approximately HK$34.6 million, representing a net subscription price of approximately HK$1.48 per Subscription Share. The Company intends to use the net proceeds from the Subscription as to: (i) approximately HK$20.0 million for repayment of outstanding bank borrowings; and (ii) the remaining balance of approximately HK$14.6 million as general working capital for the Group's principal business and for future investment opportunities should the same arise.

An application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Subscription Shares to be issued pursuant to the Subscription Agreement. The Subscription is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares. If such condition is not fulfilled, the Subscription will not proceed.

EGM

The EGM will be held and convened to consider and, if thought fit, to approve, among other things, the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares).

GENERAL

A circular containing, among other things, further details of the Subscription, together with the notice convening the EGM will be despatched to the Shareholders as soon as practicable.

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As such, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 31 October 2016 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Investor, pursuant to which the Investor has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 23,437,980 Subscription Shares at the Subscription Price of HK$1.49 per Subscription Share.

The Subscription Agreement

Date:	31 October 2016
Parties:	
Issuer:	the Company; and
Investor:	Wealth Channel Global Limited

The Investor is a company incorporated in the British Virgin Islands whose principal business is investment holding. The Investor is an indirect wholly-owned subsidiary of Chun Sing Engineering Holdings Limited ("Chun Sing"), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 2277). Chun Sing and its subsidiaries are principally engaged in the foundation and substructure construction business in Hong Kong. As set out in the annual report of Chun Sing for the year ended 31 March 2016 and the voluntary announcement dated 26 August 2016 issued by Chun Sing, it is the strategy of Chun Sing to diversify its business operations. With the support of China Huarong International Holdings Limited by the provision of the loans in a total principal amount of US$300 million (equivalent to approximately HK$2,340 million), Chun Sing intends to expand its business operations to money lending, finance lease and other future investment opportunities which may arise from time to time.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, each of the Investor and its ultimate beneficial owners is an Independent Third Party. Before entering into the Subscription Agreement, neither the Investor nor its close associates has any interests in any Shares.

Immediately upon completion of the Subscription, assuming there is no other change in the share capital of the Company from the date of this announcement up to the Completion Date, the Investor will be interested in approximately 4.95% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

If the subscription by Lijiang pursuant to the subscription agreement dated 17 August 2016 entered into between the Company and Lijiang is completed before the allotment and issue of the Subscription Shares, the Subscription Shares will represent approximately 4.46% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares

23,437,980 new Subscription Shares representing approximately 5.21% of the existing issued share capital of the Company as at the date of this announcement and approximately 4.95% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

If the subscription by Lijiang pursuant to the subscription agreement dated 17 August 2016 entered into between the Company and Lijiang is completed before the allotment and issue of the Subscription Shares, the Subscription Shares will represent approximately 4.46% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares is HK$234,379.80.

Subscription Price

Pursuant to the Subscription Agreement, the Investor shall pay to the Company the total subscription money pursuant to the Subscription Agreement on the Completion Date.

The Subscription Price of HK$1.49 per Subscription Share represents:

(i) a discount of approximately 47.16% to the closing price of HK$2.820 per Share as quoted on the Stock Exchange on the date of this announcement; and

(ii) a discount of approximately 46.94% to the average closing price of approximately HK$2.808 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.

The net Subscription Price, after deduction of relevant expenses (including but not limited to legal expenses and disbursements) incidental to the Subscription of approximately HK$0.3 million, is estimated to be approximately HK$1.48 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Investor with reference to, among other matters, the subscription price of HK$1.49 pursuant to the subscription agreement dated 17 August 2016 entered into between the Company and Lijiang, the prevailing market prices of the Shares and the background and market position of the holding company of the Investor. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Subscription

Completion of the Subscription shall be subject to and conditional upon the fulfilment (or waiver) of the following Conditions:

(A) the current listing of the Shares on the Stock Exchange not having been withdrawn and the Shares continuing to be traded on the Stock Exchange at all times (except for suspensions of trading required under the Listing Rules and which, in each occasion, does not last for more than ten (10) consecutive Trading Days (save for any suspension for the purpose of clearing any announcement and/or circular regarding the subscription of the Subscription Shares and the Subscription Agreement) from the date of the Subscription Agreement to the Completion Date;

(B) the listing of, and permission to deal in, all the Subscription Shares being granted by the Listing Committee of the Stock Exchange (the "**Listing Approval**") and the Listing Approval not having been revoked prior to the Completion Date;

(C) the Company being in full compliance with the public float requirements under the Listing Rules (i.e. 25% of the total issued shares being held by public) immediately following the completion of the subscription of the Subscription Shares;

(D) the passing by the requisite majority required under the Listing Rules of the Shareholders at the EGM (excluding any Shareholder who are required to abstain from voting by reason of applicable provisions in the Listing Rules) of a resolution for the approval of the Company's entering into of the Subscription Agreement and the grant of the Specific Mandate to the Board for the purposes of the allotment and issuance of the Subscription Shares and such other resolutions reasonably considered necessary or desirable in the context of applicable laws and regulations by any of the parties to the Subscription Agreement for the implementation of the transactions contemplated thereunder, on terms reasonably satisfactory to the Investor;

(E) (i) all approval, authorization, consent, license, permission, waiver, order or exemption, registration, filings, confirmations, clearances, rulings and decisions by the Authorities or the bankers or creditors, or any other third party that are necessary or appropriate for or in connection with the transactions contemplated under the Subscription Agreement having been obtained;

(ii) no notice, order, judgment, action or proceeding of any person having been served, issued, made or filed which restrains, prohibits or makes unlawful, or which seeks to restrain, prohibit or make unlawful, any transaction contemplated by the Subscription Agreement or which is likely to materially and adversely affect the right of the Investor either to own the legal and beneficial title to the Subscription Shares, free from Encumbrances, or to exercise its rights under the Subscription Agreement;

(iii) the warranties given by the Company under the Subscription Agreement remaining true and accurate in all material respects and not misleading in any material respect; and

(iv) no Material Adverse Effect (or Change) has occurred or is likely to occur on or before the Completion Date.

The Investor may, in its reasonable discretion, waive one or more of the Conditions (except for Conditions (B) and (D)) at any time by notice in writing to the Company.

In the event that the Conditions are not fulfilled or waived on or before 31 January 2017 (or such other date as the parties to the Subscription Agreement may agree in writing), the Subscription Agreement shall terminate immediately thereafter and be of no further effect and each party to the Subscription Agreement shall not have any claim against or liability or obligation to the other party under the Subscription Agreement save for any antecedent breach.

Completion of the Subscription

Completion of the Subscription will take place on the Completion Date (or such other date and time as may be agreed between the parties to the Subscription Agreement).

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Specific Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate to be sought at the EGM.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Termination

If at any time prior to the Completion:

(i) the Company commits or has committed any material breach of or omits or fails or has omitted or failed to observe any of its material obligations or undertakings expressed to be assumed by it under the Subscription Agreement or the transactions contemplated therein in any material aspect, which breach, omission or failure is not rectified by the Company within ten (10) Business Days from the date of receipt of a request from the Investor of rectification of such breach, omission or failure;

(ii) any of the warranties given by the Company under the Subscription Agreement is not true and accurate or is misleading in any material respect;

(iii) a Material Adverse Effect (or Change) has occurred;

(iv) the Shares cease to be listed and traded (except for suspensions of trading required under the Listing Rules and which, in each occasion, does not last more than ten (10) consecutive Trading Days (or such other period as may be agreed by the parties to the Subscription Agreement, and save for any suspension for the purpose of clearing any announcement and/or circular regarding the Subscription and the Subscription Agreement)) on the Stock Exchange;

(v) the Stock Exchange indicates that the listing of the Shares on the Stock Exchange may be withdrawn following the Completion;

(vi) any of the approval, authorization, consent, license, permission, waiver, order or exemption, registration, filings, licences, confirmations, clearances, rulings or decisions by the Authorities or the bankers or creditors of any of the Group companies, or any other third-party that are material for or in connection with the transactions contemplated under the Subscription Agreement are not obtained, or if obtained, are revoked;

(vii) any notice, order, judgment, action or proceeding is served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated in the Subscription Agreement or which is likely to materially and adversely affect the right of the Investor to own the legal and beneficial title to the Subscription Shares, free from Encumbrances; or

(viii) at the general meetings of the Company held pursuant to Condition (D), any of the relevant resolutions referred to therein were not passed by the requisite majority of the Shareholders as required under the Listing Rules,

then and in any such case, the Investor may terminate the Subscription Agreement without further liability to the Company by giving notice in writing to the Company, which notice may be given at any time on or before 12:00 noon (Hong Kong time) on the Completion Date.

In the event that the Investor terminates the Subscription Agreement in accordance with the above ground(s), all obligations of each of the parties under the Subscription Agreement shall cease and determine and no party to the Subscription Agreement shall have any claim against any other party in respect of any matter arising out of or in connection with the Subscription Agreement except for any antecedent breach of any obligation thereunder.

CHANGES IN SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Subscription (assuming that save for the completion of the subscription by Lijiang pursuant to the subscription agreement dated 17 August 2016 entered into between the Company and Lijiang, there are no other changes to the shareholding structure of the Company from the date of this announcement to the Completion Date) are as follows:

Shareholders	**As at the date of this announcement**		**Immediately after the completion of the subscription by Lijiang pursuant to the subscription agreement dated 17 August 2016 entered into between the Company and Lijiang**		**Immediately after the completion of the Subscription**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Mr. Lam Yin Kee and his associates *(Note 1)*	247,358,290	55.02	247,358,290	49.26	247,358,290	47.06
Mr. Lam Chee Tai, Eric *(Note 2)*	1,677,060	0.37	1,677,060	0.33	1,677,060	0.32
Ms. Liu Jing *(Note 3)*	69,172,000	15.38	69,172,000	13.77	69,172,000	13.16
Lijiang *(Note 4)*	–	–	52,562,020	10.47	52,562,020	10.00
Investor *(Note 4)*	–	–	–	–	23,437,980	4.46
Public Shareholders	131,412,850	29.23	131,412,850	26.17	131,412,850	25.00
	449,620,200	100.00	502,182,220	100.00	525,620,200	100.00

Notes:

1. Mr. Lam Yin Kee, chairman and executive director of the Company, has personal interests in 3,058,290 Shares. 244,300,000 Shares are owned by Profit International Holdings Limited, a company incorporated in the British Virgin Islands and is owned as to 95% by Mr. Lam Yin Kee and 5% by Ms. Yeung Po Wah. Ms. Yeung Po Wah is an executive director of the Company and the spouse of Mr. Lam Yin Kee.

2. Mr. Lam Chee Tai, Eric is an executive director of the Company and the son of Mr. Lam Yin Kee and Ms. Yeung Po Wah.

3. Ms. Liu Jing is an executive director of the Company.

4. China Huarong International Holdings Limited holds 100% shares in Lijiang and holds 27.99% shares in Chun Sing Engineering Holdings Limited, which indirectly holds 100% shares in the Investor.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below is the fund raising activity conducted by the Company in the past 12 months immediately prior to the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of net proceeds	Actual use of net proceeds as at the date of this announcement
20 November 2015	Placing of up to 69,172,000 Shares under general mandate	HK$127.84 million	General working capital of the Group	As intended and had been applied as additional general working capital for the Group's principal business
17 August 2016	Issuing of 52,562,020 Shares under specific mandate	HK$77.9 million	(i) The Group's electronics business in the PRC (ii) The Group's LED energy saving business in the PRC (iii) Repayment of outstanding bank borrowings (iv) General working capital of the Group	Funds not yet received and are expected to be utilised as intended

REASONS FOR AND THE BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the manufacturing and trading of electronic products, components for electronic products, biodiesel products; and provision of energy saving business solutions.

The gross proceeds of the Subscription is approximately HK$34.9 million. The net proceeds, after deducting all relevant costs and expenses, will be approximately HK$34.6 million. The Company intends to use the net proceeds from the Subscription as follows:

(i) as to approximately HK$20.0 million for repayment of outstanding bank borrowings; and

(ii) the remaining balance of approximately HK$14.6 million as general working capital for the Group's principal business and for future investment opportunities should the same arise.

The Directors consider that the Subscription represents an opportunity for the Company to raise additional funding for the Group's business operation and it will also strengthen the capital base and financial position for the Group's future business developments and broaden the Shareholder base of the Company. The Subscription will also provide an opportunity for the Group to leverage on the business connection and expertise of the holding company of the Investor to enhance the further development of the Group's business in Hong Kong. In addition, the Directors consider that the Subscription is a preferred method of fund raising as compared with other equity fund raising exercises and debt financing exercises based on the time and costs involved.

The Directors consider that the Subscription Agreement are entered into upon normal commercial terms following arm's length negotiations between the Company and the Investor and that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EGM

The EGM will be held and convened to consider and, if thought fit, to approve, among other things, the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares).

GENERAL

A circular containing, among other things, further details of the Subscription, together with the notice convening the EGM will be despatched to the Shareholders as soon as practicable.

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As such, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Authorities"	any governments, courts, arbitral tribunals, governmental, regulatory or official authorities, departments or agencies of any governments, statutory or regulatory bodies, stock exchanges whether in Hong Kong or elsewhere including without limitation the Securities and Futures Commission and the Stock Exchange, and "Authority" means any one of them
"Board"	the board of Directors
"Business Day(s)"	a day (excluding Saturday, Sunday or public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"close associates"	has the meaning ascribed to it under the Listing Rules
"Company"	Alltronics Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange

"Completion"	the completion of the allotment and issue by the Company of, and the subscription by the Investor for, the Subscription Shares in accordance with the terms of the Subscription Agreement
"Completion Date"	means (i) a date falling on the fifth Business Days after fulfilment of the Conditions (except for those Conditions which are only capable of being fulfilled on the Completion Date) in the Subscription Agreement unless waived by the Investor in accordance with the Subscription Agreement as agreed by the parties thereto; or (ii) such other date as the parties to the Subscription Agreement may agree in writing
"Conditions"	the conditions precedent for the Completion as set out in the Subscription Agreement
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approving the Subscription Agreement and the transactions contemplated thereunder (including the grant of Specific Mandate for the allotment and issue of the Subscription Shares)
"Encumbrances"	any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China

"Independent Third Party(ies)"	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
"Investor"	Wealth Channel Global Limited, a company incorporated in the British Virgin Islands, the investor of the Subscription Shares
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Lijiang"	Lijiang Investment Holdings Limited, a company incorporated in the British Virgin Islands
"Material Adverse Effect (or Change)"	any event, circumstance, occurrence, fact, condition, change or effect that is materially adverse to the business, operations, financial condition, management, properties, assets or liabilities of any member of the Group; or adversely affecting the ability of the Company to perform any of its obligations hereunder or to consummate the transactions contemplated in the Subscription Agreement
"PRC"	The People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Specific Mandate"	the specific mandate to be sought from the Shareholders at the EGM to authorise the Directors to allot, issue and deal in the Subscription Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subscription"	the subscription for the Subscription Shares by the Investor pursuant to the Subscription Agreement
"Subscription Agreement"	the agreement dated 31 October 2016 entered into between the Company and the Investor in relation to the Subscription
"Subscription Price"	the subscription price of HK$1.49 per Subscription Share
"Subscription Share(s)"	an aggregate of 23,437,980 Shares to be subscribed by the Investor pursuant to the Subscription Agreement
"Trading Day(s)"	a day on which the Stock Exchange is open for dealing business in Hong Kong
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

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

Hong Kong, 31 October 2016

As at the date of this announcement, the board of directors of the Company comprises Mr. Lam Yin Kee, Ms. Yeung Po Wah, Ms. Liu Jing, Mr. Lam Chee Tai, Eric and Mr. So Kin Hung as executive Directors; Mr. Fan, William Chung Yue as non-executive Director; and Mr. Pang Kwong Wah, Mr. Yau Ming Kim, Robert and Mr. Yen Yuen Ho, Tony as independent non-executive Directors.