



ALLTRONICS HOLDINGS LIMITED

華訊股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 833)

CONTINUING CONNECTED TRANSACTION

On 31 March 2007, ATM, a wholly-owned subsidiary of the Company, has entered into the Tenancy Agreement with Profit Home for a term of 2 years. The Tenancy Agreement is a renewal of the Expiring Tenancy Agreement which originally expired on 30 September 2006 but subsequently extended to 31 March 2007. For the purpose of the Listing Rules, the transaction under the Tenancy Agreement constitutes a continuing connected transaction and is subject to the reporting and announcement requirements.

1. THE TENANCY AGREEMENT

- (a) Date : 31 March 2007
- (b) Parties : Profit Home – Landlord
ATM – Tenant
- (c) Property : The property is located at Flat B, 39/F, Broadview Villa, 20 Broadwood Road, Happy Valley, leased Hong Kong (the “Premises”), with a total gross floor area of 3,134 square feet and is used as a quarter for accommodation of an executive Director, Mr. Lam
- (d) Rental : The monthly rental is HK\$100,000 (i.e. HK\$31.9 per square feet). The monthly rental is inclusive of government rent, rates and management fee. The monthly rental is payable in advance on the first day of each month.
- (e) Term : 2 years commencing from 1 April 2007 to 31 March 2009.

2. REASON FOR ENTERING INTO TRANSACTION

The Premises have been used as the quarter for accommodation of Mr. Lam since 1 October 2004. The Tenancy Agreement is a renewal of the Expiring Tenancy Agreement between ATM and Profit Home. The term of rental period under the Expiring Tenancy Agreement originally expired on 30 September 2006 but ATM and Profit Home has extended it under the same terms and conditions for a further period of 6 months commencing from 1 October 2006 to 31 March 2007.

3. CONNECTED TRANSACTION

(a) Connected Person

Profit Home is a private limited company incorporated in Hong Kong. Ms Yeung, an executive Director and the spouse of Mr. Lam, is a director and shareholder holding 60% equity interest in Profit Home. Profit Home is therefore a connected person of the Company. The entering into of the Tenancy Agreement therefore constitutes a continuing connected transaction (“Continuing Connected Transaction”) for the Company pursuant to Chapter 14A of the Listing Rules.

(b) The annual cap under the Expiring Tenancy Agreement

The annual aggregate amount of rental payable pursuant to the Expiring Tenancy Agreement exceeds 0.1% but less than 2.5% of the relevant Percentage Ratios and is less than HK\$1,000,000. The continuing connected transaction pursuant to the Expiring Tenancy Agreement therefore qualifies as a de minimis transaction pursuant to Rule 14A.31(2) of the Listing Rules and is therefore exempt from the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

(c) The annual cap under the Tenancy Agreement

The Directors expect that the annual aggregate amount of rental payable to Profit Home pursuant to the Tenancy Agreement for each of the financial year ending 31 December 2007, 2008 and 2009 would be HK\$900,000, HK\$1,200,000 and HK\$300,000 respectively. The annual aggregate amount of rental payable pursuant to the Tenancy Agreement exceeds 0.1% but less than 2.5% of each of the relevant Percentage Ratios and therefore the Continuing Connected Transaction is, in accordance with the Rule 14A.34 of the Listing Rules, subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from independent shareholders’ approval requirement. Furthermore, the Continuing Connected Transaction will also be subject to the annual review requirement by independent non-executive Directors and auditors of the Company under Rules 14A.37 to 14A.41 of the Listing Rules.

The Tenancy Agreement is on normal commercial terms and has been arrived at on an arm’s length basis. The current market rental for comparable premises in Happy Valley ranges from approximately HK\$26 to HK\$38 per square feet. The Directors, including independent non-executive Directors, consider that the terms of the Tenancy Agreement and the annual caps mentioned above are fair and reasonable to the Company and in the interests of the Shareholders as a whole.

4. GENERAL

The Group engages in the manufacturing and trading of electronic products, plastic moulds, plastic components and other components for electronic products. Profit Home engages in the business of properties investment for rental income purpose in Hong Kong.

5. DEFINITIONS

For the purpose of this announcement, the following expressions have the following meanings:

“ATM”	Alltronics Tech. Mfg. Limited, a private limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Company”	Alltronics Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Expiring Tenancy Agreement”	the tenancy agreement dated 30 September 2004 entered into between ATM and Profit Home pursuant to which Profit Home agreed to let and ATM agreed to rent the Premises for a term of 2 years commencing from 1 October 2004 to 30 September 2006
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lam”	Mr. Lam Yin Kee, an executive Director and the Chairman of the Company
“Ms Yeung”	Ms. Yeung Po Wah, an executive Director of the Company and the spouse of Mr. Lam
“Percentage Ratios”	the percentage ratios referred to in Rule 14.07 of the Listing Rules
“Profit Home”	Profit Home Investments Limited, a private limited company incorporated in Hong Kong and owned as to 60% by Ms. Yeung Po Wah, an executive Director of the Company and the spouse of Mr. Lam
“Shareholders”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 31 March 2007 entered into between ATM and Profit Home pursuant to which Profit Home agreed to let and ATM agreed to rent the Premises for a term of 2 years commencing from 1 April 2007 to 31 March 2009

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

Hong Kong, 4 April 2007

As at the date of this announcement, the Board comprises:

Executive Directors

Mr. Lam Yin Kee, Ms. Yeung Po Wah and Mr. Toshio Daikai

Non-executive Director

Mr. Fan, William Chung Yue

Independent Non-executive Directors

Mr. Barry John Buttifant, Mr. Leung Kam Wah and Ms. Yeung Chi Ying