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## **PANTRONICS HOLDINGS LIMITED**

**桐成控股有限公司**

*(Incorporated in the British Virgin Islands with limited liability)*

**(Stock Code: 1611)**

### **CONNECTED TRANSACTIONS**

During the year ended 30 September 2017, two subsidiaries of the Company, Shenzhen Pantai and Pantene Industrial, have conducted Transactions as follows: (i) Shenzhen Pantai and Pantene Industrial manufactured and supplied products to Eclipse Tools Manufacturing Company Limited, Bowers Eclipse Equipment Shanghai Co. Ltd., Eclipse Magnetics Limited, Bowers Metrology Limited, Robert Sorby Limited and Eclipse Tools North America, all of which are subsidiaries of SNHGH at a consideration of approximately HK\$4.2 million; and (ii) Shenzhen Pantai purchased items of plant and machinery from Bowers Eclipse Equipment Shanghai Co. Ltd. at a consideration of approximately HK\$0.1 million. The aggregate consideration of the Transactions was approximately HK\$4.3 million, with payment terms ranging from 30 days to 60 days, and was satisfied in cash.

#### **LISTING RULE IMPLICATIONS**

SNHGH is wholly-owned by Mr. Hsu, who is a non-executive Director, a controlling shareholder of the Company and thus a connected person of the Company. In this regard, the subsidiaries of SNHGH mentioned above are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules and as such, the Transactions constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

The aggregate consideration of the Transactions for the year ended 30 September 2017 was approximately HK\$4.3 million. As each of the applicable percentage ratios in respect of the Transactions is less than 5% but the aggregate consideration of the Transactions exceeds HK\$3.0 million on an annual basis, the Transactions constituted non-exempt connected transactions of the Company for which it was exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules. The Company should have complied with the announcement requirement set out in Rule 14A.35 of the Listing Rules when the aggregate amount of the Transactions was in excess of HK\$3.0 million for the year ended 30 September 2017.

The Group has conducted the Transactions in the ordinary and usual course of its business. However, the failure to make timely disclosure of the Transactions constituted a breach of Rules 14A.35 of the Listing Rules.

## **CONNECTED TRANSACTIONS**

During the year ended 30 September 2017, two subsidiaries of the Company, Shenzhen Pantai and Pantene Industrial, have conducted Transactions as follows: (i) Shenzhen Pantai and Pantene Industrial manufactured and supplied products to Eclipse Tools Manufacturing Company Limited, Bowers Eclipse Equipment Shanghai Co. Ltd., Eclipse Magnetics Limited, Bowers Metrology Limited, Robert Sorby Limited and Eclipse Tools North America, all of which are subsidiaries of SNHGH at a consideration of approximately HK\$4.2 million; and (ii) Shenzhen Pantai purchased items of plant and machinery from Bowers Eclipse Equipment Shanghai Co. Ltd. at a consideration of approximately HK\$0.1 million. The aggregate consideration of the Transactions was approximately HK\$4.3 million, with payment terms ranging from 30 days to 60 days, and was satisfied in cash.

The items of plant and machinery was originally acquired by Bowers Eclipse Equipment Shanghai Co. Ltd. for approximately HK\$0.1 million.

SNHGH is wholly owned by Mr. Hsu, who is a non-executive Director and a controlling shareholder of the Company. As Mr. Hsu is a connected person of the Company, the Transactions constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

The consideration of products sold was calculated by multiplying the unit price of each type of product by the quantity purchased, on normal commercial terms and was determined after arm's length negotiation between the parties and on an order-by-order basis. The purchase cost of items of plant and machinery was on normal commercial terms after arm's length negotiation between the parties.

## **REASONS FOR THE TRANSACTIONS**

The Transactions formed an integral part of the ordinary and usual course of business of the Group and were conducted on normal commercial terms determined on an arm's length basis. The Board is of the view that the subsidiaries of SNHGH are well-established in their respective industries with a solid financial background. Therefore, it is beneficial for the Group to develop medium to long term business relationships with the subsidiaries of SNHGH and such cooperation could broaden the customer base of the Group and increase the Group's revenue source.

## **INFORMATION ON THE PARTIES**

The Group is principally engaged in the contract manufacturing, on electronic manufacturing services basis, of a wide range of power-related and electrical/electronic products.

Shenzhen Pantai, based in the PRC, is wholly-owned by Pantene Industrial and its principal operations include the manufacture and sale of electronic and electrical products.

Pantene Industrial is incorporated in Hong Kong with limited liability and is wholly-owned by the Company. It is principally engaged in the design, marketing and sale of electronic and electrical products.

SNHGH is incorporated in the BVI with limited liability and is wholly-owned by Mr. Hsu. It is an investment holding company.

The subsidiaries of SNHGH are incorporated in the United Kingdom, the PRC and Canada and are indirectly and wholly-owned by SNHGH. Their principal businesses are the procurement and assembly of magnetics tools and products, the assembly and procurement of metrology and measurement tools and the manufacture and distribution of hand tools.

Accordingly, the subsidiaries of SNHGH are connected persons of the Company and the Transactions constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

## LISTING RULES IMPLICATIONS

SNHGH is wholly-owned by Mr. Hsu, who is a non-executive Director, a controlling shareholder of the Company and thus a connected person of the Company. In this regard, the subsidiaries of SNHGH mentioned above are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules and as such, the Transactions constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in respect of the Transactions is less than 5% but the aggregate consideration of the Transactions exceeds HK\$3.0 million on an annual basis, the Transactions constituted non-exempt connected transactions of the Company, which were exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules. The Company should have complied with the announcement requirement set out in Rule 14A.35 of the Listing Rules when the aggregate amount of the Transactions was in excess of HK\$3.0 million. However, due to inadvertent oversight, the Company regrets that these transactions were not announced timely at the relevant time when the aggregate amount of the Transactions exceeded HK\$3.0 million.

Mr. Lim and Mr. Ho are both directors of Eclipse Tools Manufacturing Company Limited and Bowers Eclipse Equipment Shanghai Co. Ltd. The Board, with Mr. Hsu, Mr. Lim and Mr. Ho abstaining from voting, has passed a written resolution to ratify, confirm and approve the Transactions. The independent non-executive Directors are of the view that the terms of the Transactions were fair and reasonable, and the Transactions were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interest of the Company and Shareholders as a whole.

In order to avoid recurrence of this incident, the Group has strengthened its internal control in monitoring all connected transactions of the Group. The Company's finance team is required to prepare a summary of connected transactions and a forecast value of connected transactions on a regular basis, which will be reviewed by the company secretary to assess whether these connected transactions are subject to any disclosure and approval requirements to ensure timely compliance with the relevant requirements of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Pantronics Holdings Limited (stock code: 1611), a company incorporated in the BVI with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hsu”	Mr. Simon Nai-cheng Hsu, the controlling shareholder and a non-executive Director of the Company
“Mr. Lim”	Mr. Henry Woon-hoe Lim, an executive Director of the Company
“Mr. Ho”	Mr. Ho Hon Ching, an executive Director of the Company
“Pantene Industrial”	Pantene Industrial Co. Limited, a company incorporated in Hong Kong with limited liability and which is a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shareholder(s)”	holder(s) of the shares of the Company

“Shenzhen Pantai”	Shenzhen Pantai Electronic Co. Ltd., a company established in the PRC with limited liability and which is an indirect wholly-owned subsidiary of the Company
“SNHGH”	SNH Global Holdings Limited, a company incorporated in the BVI with limited liability and wholly owned by Mr. Hsu
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Transactions”	various transactions conducted between Shenzhen Pantai, Pantene Industrial and subsidiaries of SNHGH during the year ended 30 September 2017
“%”	per cent

By order of the Board  
**PANTRONICS HOLDINGS LIMITED**  
**Simon Nai-cheng Hsu**  
*Chairman*

Hong Kong, 9 January 2018

*As at the date of this announcement, the Board comprises (1) Mr. Henry Woon-hoe Lim and Mr. Ho Hon Ching as the executive Directors; (2) Mr. Simon Nai-cheng Hsu as the non-executive Director; and (3) Mr. Pochin Christopher Lu, Mr. Danny J Lay and Ms. Hui Leung Ching Patricia as the independent non-executive Directors.*