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## **DATRONIX HOLDINGS LIMITED**

**連達科技控股有限公司\***

*(incorporated in Bermuda with limited liability)*

### **ANNOUNCEMENT**

On 15th August, 2002, the Company requested suspension in trading of its shares on the Stock Exchange with effect from 2:30 p.m. on the same day. The Company has reason to believe that there may be less than 25 per cent. of the issued share capital of the Company in the hands of the public as defined under Rule 8.24 of the Listing Rules.

On 22nd August, 2002, Asset Choice and Tong issued the Action against Onboard and Siu, claiming specific performance of three alleged agreements relating to the sale and purchase of 99 per cent. of the issued share capital of the Company at HK\$94,500,000 and purchase of existing business and assets of the Company by Onboard at HK\$106,000,000 to be paid by a promissory note for HK\$106,000,000 to be issued by Asset Choice to Onboard and damages for alleged breach of such alleged agreements.

Onboard and Siu have advised the Company that there are no or no enforceable contract between the parties, as alleged or at all and that they will vigorously contest the Action.

On 15th August, 2002, Datronix Holdings Limited (the "Company" and together with its subsidiaries, the "Group") requested suspension in trading of the shares of the Company (the "Shares") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 2:30 p.m. on the same day.

#### **Public shareholding**

The board of the directors of the Company (the "Board") hereby announces that the Company has been informed by Mr. Paul Y. Siu ("Siu"), the Chairman and Chief Executive Officer of the Company, that he had previously provided funding to certain shareholders of the Company for them to acquire Shares in the Company (the "Financing"). The Board is making enquiry on the shareholding that may be affected by the Financing. However, pursuant to Rule 8.24(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the Shares that are subject to the Financing will not be regarded as being in public hands. Onboard Technology Limited ("Onboard"), the controlling shareholder of the Company, currently holds 75 per cent. of the issued share capital of the Company. Onboard is beneficially owned as to 90 per cent. by Siu and as to 10 per cent. by Madam Shui Wai Mei, the spouse of Siu and also the Vice Chairman of the Company. Taking account of Onboard's shareholding and the Shares that are subject to the Financing, the Board is of the view that there is less than 25 per cent. of the issued share capital of the Company in the hands of the public as required under Rule 8.08 of the Listing Rules. Upon finalisation of the enquiry into the shareholding that may be affected by the Financing, the Company will issue an announcement on, inter alia, the level of public float of the Company.

#### **Onboard litigation**

On 22nd August, 2002, Asset Choice Group Limited ("Asset Choice") and Tong Chi Keung, Tom ("Tong") issued a writ of summons under High Court Action No. 3215 of 2002 ("Action") against Onboard and Siu claiming specific performance of:-

- (i) an alleged agreement allegedly entered into on or around 22nd July, 2002 between Siu on behalf of

Onboard and Tong on behalf of Asset Choice relating to sale and purchase of 99% of the issued share capital of the Company at HK\$94,500,000 and purchase of existing business and assets of the Company by Onboard at HK\$106,000,000 to be paid by a promissory note for HK\$106,000,000 to be issued by Asset Choice to Onboard ("1st Alleged Agreement");

- (ii) an alleged agreement allegedly entered into on 25th July, 2002 between Siu and Tong (in his capacity as agent for Asset Choice) relating to sale or procurement of sale of 77,000,000 Shares (representing approximately 24% of the issued share capital of the Company) at HK\$34,500,000 ("2nd Alleged Agreement"); and
- (iii) an alleged agreement allegedly made between Siu and Tong on behalf of Asset Choice relating to confirmation of the terms previously agreed subject only to variation of the payment term ("Alleged Final Agreement");

and damages in lieu of or in addition to specific performance and damages for alleged breach of the 1st Alleged Agreement, the 2nd Alleged Agreement and the Alleged Final Agreement. Onboard and Siu have advised the Company that there are no or no enforceable contract between the parties, as alleged or at all and that they will vigorously contest the Action.

Asset Choice and Tong are independent third parties not connected with the chief executive, directors or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules).

## **General**

In the meantime, the Company is ascertaining the actual level of public float of the Company and is seeking financial advice as to the possible appropriate measures to adopt, taking account the circumstances described above, so as to ensure proper compliance with the public float requirements under the Listing Rules. Onboard has, in view of the Action, advised the Company that Onboard (though it is entitled to do so) may not prefer to place down its shareholding in the Company. The Company is considering the effects on the Group and its existing shareholders if the Company is to issue new Shares to restore the public float.

As there is less than 25 per cent. of the issued share capital of the Company in the hands of the public, the Company is in breach of Rule 8.08 of the Listing Rules. The Stock Exchange has indicated that it reserves the right to take disciplinary action against the Company and its directors in respect of the breach by the Company of the Listing Rules.

Further announcements will be made by the Company on the level of public float, the proposal to be implemented to comply with the relevant Listing Rules requirements and the progress of the Action as and when appropriate. Trading in the Shares will continue to be suspended until further notice.

By order of the Board  
**Sheung Shing Fai**  
*Director*

Hong Kong, 29th August, 2002

\* *for identification purpose only*

"Please also refer to the published version of this announcement in The Standard"