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PHOENITRON

PHOENITRON HOLDINGS LIMITED

品創控股有限公司

(Incorporated in The Cayman Islands with limited liability)

(Stock Code: 08066)

**VOLUNTARY ANNOUNCEMENT:
PARTIAL RECOVERY OF AN AMOUNT DUE FROM
HARC**

On 21 December 2018, the Company was informed by the bankruptcy administrator of HARC in writing that a sum of approximately RMB\$21.0 million will be received by the Company.

Reference is made to (i) the announcement (the “**Announcement**”) of Phoenitron Holdings Limited (the “**Company**”) dated 14 March 2014 regarding, among other things, the seeking of debt confirmation for the PRC Loan (as defined below); and (ii) the Company’s interim report (“**2014 Interim Report**”) for the six months ended 30 June 2014. Capitalised terms used herein shall have the same meaning as those defined in the Announcement, unless the context otherwise requires.

BACKGROUND

During the period from December 2012 to June 2013, a series of loan agreements (the “**PRC Loan**”) was entered into by the Company and Hota Auto Recycling Corporation (“**HARC**”) for the purpose of financing HARC (a wholly-owned subsidiary of Hota (USA)) (i) in the payment of the setup of facilities and factories in Zhangjiagang; and (ii) for the initial general working capital for its start-up business. The Company did not hold any collaterals over the PRC Loan.

In late 2013 and early 2014, HARC stopped its operations due to the unfavorable market environment. As disclosed in the Announcement, the Board, after careful consideration and taking into account the then current financial status of HARC and various factors, resolved not to grant any further extension to the repayment date of the PRC Loan, and had applied to the relevant authorities in Jiangsu, PRC for debt confirmation in this respect (which was endorsed thereafter by The Supreme People’s Court of Jiangsu in the PRC).

PROGRESS AND FURTHER DEVELOPMENT

On 21 December 2018, the legal representative of the Company in the PRC was informed by the bankruptcy administrator of HARC in writing that a sum of approximately RMB\$21.0 million (“**Recovered Amount**”) is expected to be received by the Company.

As the Company had made full provision for impairment on the Outstanding Amount in prior financial years, it is expected that the Company would recognise a gain on the Recovered Amount. The Recovered Amount will be applied to (i) repayment of certain borrowings; (ii) working capital of the Group; and (iii) development of new business if such opportunities arise.

The Company will closely monitor development of the matter and will make further announcement(s) as and when necessary. Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

By order of the Board of
Phoenitron Holdings Limited
Lily Wu
Chairman

Hong Kong, 24 December 2018

As at the date of this announcement, the Board comprises three executive Directors, Ms. Lily Wu (Chairman and Chief Executive Officer), Mr. Chang Wei Wen and Mr. Yang Meng Hsiu, and three independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Mr. Leung Ka Kui, Johnny and Mr. Chan Siu Wing, Raymond.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from its date of posting and the Company’s website at www.phoenitron.com.