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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: 8066)

**DISCLOSEABLE TRANSACTION
CLAIM ASSIGNMENT CONTRACT**

On 4 March 2019 (after trading hours), the Company entered into a claim assignment contract with the Purchaser, pursuant to which the Company has conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase and be assigned, the Subject Claim with a total amount of RMB21,061,827.47 under the Assignment Contract at a consideration of RMB20,429,972.65.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) of the Proposed Claim Assignment exceed 5% but are less than 25%, the Proposed Claim Assignment constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements but is exempted from the shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

As completion of the Proposed Claim Assignment is subject to the fulfillment of conditions precedent as set out in the Assignment Contract, the Proposed Claim Assignment may or may not proceed. Shareholders and potential investors of the Company should exercise caution in dealing in the Shares.

THE PROPOSED CLAIM ASSIGNMENT

On 4 March 2019 (after trading hours), the Company entered into a claim assignment contract with the Purchaser, pursuant to which the Company has conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase and be assigned, the Subject Claim with a total amount of RMB21,061,827.47 under the Assignment Contract at a consideration of RMB20,429,972.65. The principal terms of the Assignment Contract are as follows:

Date:	4 March 2019 (after trading hours)
Parties:	(i) the Company; and (ii) Mr. Wang Jung Tang, a holder of Taiwan passport, as the Purchaser
Transfer subject:	the Company's title, rights and benefits of the Subject Claim
Consideration:	RMB20,429,972.65, which is determined at the par value of the Subject Claim with a discount of 3% based on market financing costs and further negotiation of the parties. Directors are of the opinion that the consideration of disposal of the Subject Claim is fair and reasonable, and in the interests of the Company and shareholders as a whole.
Payment Terms:	the Purchaser shall pay to the Company by cash or via remittance within ten (10) Business Days upon the conditional precedents (as defined below) are fulfilled.

CONDITIONS PRECEDENT

Completion is subject to and conditional upon the Company and the Purchaser having obtained all necessary internal and external authorisations, consents and approvals (including from all relevant governmental or regulatory authorities, agencies or bodies).

INFORMATION ABOUT THE SUBJECT CLAIM

Further to the announcement of the Company dated 24 December 2018 (the “**Announcement**”) in relation to, among other things, the partial recovery of an amount due from HARC. Unless otherwise stated, terms used herein shall bear the same meaning as those defined in the Announcement.

On 25 January 2019, a civil ruling was issued by the People's Court of Zhangjiagang City, Jiangsu Province to confirm the final Recoverable Amount entitled by the Company was RMB21,061,827.47.

INFORMATION ABOUT THE COMPANY AND THE GROUP

The Company is principally engaged in investment holding. The Group is principally engaged in (i) the contract manufacturing and sales of smart cards; (ii) the provision of customized smart card application systems; and (iii) the carrying out of the project involving the setting up of natural gas stations in the Yangtze River Delta and other petrochemical related business.

INFORMATION ABOUT THE PURCHASER

The Purchaser is an individual. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Purchaser is an Independent Third Party.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ASSIGNMENT CONTRACT

As the Company's appointed lawyer in the PRC pointed out that formal notice for collecting the Recoverable Amount has not yet been received, and that it is not sure of the time required to process the collection of payment. Meanwhile, additional professional fees (that have not yet been estimated) will be incurred by the Company for appointing domestic lawyers to assist in the processing of such collections. Having taken into account the above factors, the Directors are of the view that the Proposed Claim Assignment represents an opportunity for the Group to monetize the Subject Claim more reliably and faster, which will increase the liquidity of the Group more quickly, enhance capital efficiency and enable the management to focus on the Group's principal activities.

In light of the above reasons, the Directors consider that the terms of the Assignment Contract are fair and reasonable and are entered into on normal commercial terms and entering into the Assignment Contract and the contemplated transaction thereunder is in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE PROPOSED CLAIM ASSIGNMENT AND PROPOSED USE OF PROCEEDS

After completing the disposal of the Subject Claim, by comparison of the consideration and the par value of the Subject Claim, the Group is expected to recognise a loss of approximately RMB631,854.82 (approximately equivalent to HK\$740,744.22) before relevant expenses relating to the Proposed Claim Assignment. The proceeds from the disposal of the Subject Claim shall be applied to (i) working capital of the Group; (ii) repayment of certain borrowings; and (iii) new business development if such opportunities arise.

IMPLICATIONS OF THE GEM LISTING RULES

As the applicable percentage ratios (as defined in the GEM Listing Rules) of the Proposed Claim Assignment exceed 5% but are less than 25%, the Proposed Claim Assignment constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements but is exempted from the shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

GENERAL

As completion of the Proposed Claim Assignment is subject to the fulfillment of conditions precedent as set out in the Assignment Contract, the Proposed Claim Assignment may or may not proceed. Shareholders and potential investors of the Company should exercise caution in dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Assignment Contract”	the contract dated 4 March 2019 and entered into between the Company and the Purchaser in respect of the Proposed Claim Assignment
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Phoenitron Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“connected persons”	has the meaning ascribed to it in the GEM Listing Rules
“Directors”	the directors of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“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

“ Proposed Claim Assignment ”	the proposed claim assignment under the Assignment Contract in respect of the Subject Claim
“ Purchaser ”	the purchaser of the Subject Claim, an Independent Third Party
“ RMB ”	Renminbi, the lawful currency of the PRC
“ Shareholders ”	holders of the Shares
“ Shares ”	ordinary shares of HK\$0.20 each in the share capital of the Company
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“ Subject Claim ”	amount to be distributed by the liquidator of HARC to the Company pursuant to the civil rulings issued by the People’s Court of Zhangjiagang City, Jiangsu Province on 25 January 2019, as listed in the Proposed Assignment Contract
“ % ”	per cent.

By order of the Board
Phoenitron Holdings Limited
Chang Wei Wen
Executive Director

Hong Kong, 4 March 2019

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 collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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) and the Company’s website at www.phoenitron.com for at least 7 days from its date of posting.