

Allied Electronics Corporation Limited
(Registration number 1947/024583/06)
(Incorporated in the Republic of South Africa)
Share Code: AEL ISIN: ZAE000191342
("Altron" or "the Company")

Voluntary announcement - Altron places subsidiary executives on pre-cautionary suspension

The Altron Board wishes to advise shareholders that three senior executives of Altron Nexus, a subsidiary of Altron, have been placed on pre-cautionary suspension following an investigation that has revealed potential internal irregularities.

After receiving information from a whistle-blower in June 2018, Altron appointed independent investigators to look into alleged procurement irregularities among a few senior executives within Altron Nexus. The investigation found no evidence of irregularities, but made recommendations on procurement process improvements and reporting obligations, which were implemented.

In June this year Altron received a second tip-off from a whistle-blower on similar allegations. The company immediately initiated investigations including the appointment of a forensic services company, Naledi Advisory Services.

The preliminary findings have revealed potential deviation from procurement processes involving an estimated R23 million and early profit recognition of approximately R20 million in the 2018 financial year.

The Company views these allegations in a serious light. Accordingly, this investigation is in line with the Altron group's zero-tolerance to unethical conduct, despite the amounts not being material to Altron's financial position. Over the past three years, Altron has been steadfast in building a culture of good governance driven by its values of openness, honesty and integrity. Altron employees are now able to come forward with any claims of misconduct without any fear of retaliation.

Altron is following due process and the three executives may go through a disciplinary hearing, overseen by an independent chairman. While the investigation is on-going, the Company would like to assure its customers, partners and employees that plans have been put in place to ensure business continuity at Altron Nexus.

Further information will be made available at an appropriate time. A conference call will be hosted by the Company at 15h30 today, 6 September 2019. Interested parties are requested to register their attendance at: www.diamondpass.net/4210067.

Johannesburg

6 September 2019

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