



Alltronics Holdings Limited 華訊股份有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 833



CONTENTS

Condensed Consolidated Interim Income Statement	2
Condensed Consolidated Interim Statement of Comprehensive Income	3
Condensed Consolidated Interim Statement of Financial Position	4
Condensed Consolidated Interim Statement of Changes in Equity	6
Condensed Consolidated Interim Cash Flow Statement	8
Notes to the Condensed Consolidated Interim Financial Information	9
Interim Dividend	39
Closure of Register of Members	39
Management Discussion and Analysis	40
Share Option Scheme	47
Directors' and Chief Executives' Interests	48
Substantial Shareholders' Interests	50
Corporate Governance	51
Supplementary Information	53
Corporate Information	54

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2015

	Note	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Revenue	5	436,156	489,926
Cost of sales	6	(354,997)	(402,951)
Gross profit		81,159	86,975
Distribution costs	6	(3,865)	(3,700)
Administrative expenses	6	(42,323)	(42,882)
Other losses – net	7	(1,293)	(38,640)
Operating profit		33,678	1,753
Finance income	8	260	127
Finance costs	8	(2,621)	(2,916)
Profit/(loss) before income tax		31,317	(1,036)
Income tax expense	9	(8,301)	(1,058)
Profit/(loss) for the period		23,016	(2,094)
Profit/(loss) attributable to:			
Owners of the Company		22,756	(3,820)
Non-controlling interests		260	1,726
		23,016	(2,094)
Earnings/(loss) per share for profit/(loss) attributable to owners of the Company		HK Cents	HK Cents (Restated)
– basic	10	5.98	(1.00)
– diluted	10	5.98	(1.00)
		HK\$'000	HK\$'000
Interim dividend	11	19,022	17,293

The notes on pages 9 to 38 form part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	23,016	(2,094)
Other comprehensive income		
<i>Item that may be subsequently reclassified to profit or loss</i>		
Currency translation differences	243	260
Total other comprehensive income for the period	243	260
Total comprehensive income/(loss) for the period	23,259	(1,834)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	22,999	(3,560)
Non-controlling interests	260	1,726
	23,259	(1,834)

The notes on pages 9 to 38 form part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	40,076	38,816
Leasehold land and land use rights	13	1,745	1,770
Intangible assets	14	11,672	19,931
Interest in an associate		6,282	6,282
Available-for-sale financial asset	15	5,000	–
Prepayments		28,548	31,686
Finance lease receivable	16	16,602	19,631
Deferred income tax assets		2,211	1,873
Total non-current assets		112,136	119,989
Current assets			
Inventories		165,027	174,494
Finance lease receivable	16	11,095	8,234
Trade receivables	17	132,143	135,222
Prepayments, deposits and other receivables		40,124	42,005
Amounts due from non-controlling shareholders of a subsidiary		1,207	535
Financial assets at fair value through profit or loss		350	434
Pledged bank deposits	23(b)	10,517	10,507
Tax recoverable		77	316
Cash and cash equivalents (excluding bank overdrafts)		101,811	64,371
Total current assets		462,351	436,118
Total assets		574,487	556,107

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	20	3,804	3,459
Reserves			
Proposed dividend		19,022	27,669
Others		229,400	225,768
Non-controlling interests		252,226 (11,542)	256,896 (11,802)
Total equity		240,684	245,094
LIABILITIES			
Non-current liabilities			
Borrowings	22	2,408	831
Deferred revenue		3,538	4,396
Deferred income tax liabilities		1,321	1,347
Total non-current liabilities		7,267	6,574
Current liabilities			
Trade payables	19	88,288	107,804
Accruals and other payables		42,808	42,301
Deferred revenue		1,562	1,433
Amounts due to non-controlling shareholders of a subsidiary		37	37
Current income tax liabilities		8,388	4,068
Borrowings	22	180,077	136,933
Derivative financial instruments	18	5,376	11,863
Total current liabilities		326,536	304,439
Total liabilities		333,803	311,013
Total equity and liabilities		574,487	556,107
Net current assets		135,815	131,679
Total assets less current liabilities		247,951	251,668

The notes on pages 9 to 38 form part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company											Total HK\$'000 (Unaudited)
	Share capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Capital reserve HK\$'000 (Unaudited)	Statutory reserve HK\$'000 (Unaudited)	Share option reserve HK\$'000 (Unaudited)	Exchange reserve HK\$'000 (Unaudited)	Revaluation reserve HK\$'000 (Unaudited)	Capital redemption reserve HK\$'000 (Unaudited)	Retained earnings HK\$'000 (Unaudited)	Proposed dividend HK\$'000 (Unaudited)	Non- controlling interests HK\$'000 (Unaudited)	
Balance at 1 January 2014	3,459	42,568	5,799	8,616	-	16,301	268	42	153,144	27,669	(13,235)	244,631
Comprehensive income/(loss) (Loss)/profit for the period	-	-	-	-	-	-	-	-	(3,820)	-	1,726	(2,094)
Other comprehensive income:												
Currency translation differences	-	-	-	-	-	260	-	-	-	-	-	260
Total other comprehensive income for the six months ended 30 June 2014	-	-	-	-	-	260	-	-	-	-	-	260
Total comprehensive income/(loss) for the six months ended 30 June 2014	-	-	-	-	-	260	-	-	(3,820)	-	1,726	(1,834)
Revaluation reserve on available-for-sale financial assets realised upon disposal	-	-	-	-	-	-	(268)	-	-	-	-	(268)
Transactions with owners in their capacity as owners:												
Final dividend relating to 2013	-	-	-	-	-	-	-	-	-	(27,669)	-	(27,669)
Proposed interim dividend	-	-	-	-	-	-	-	-	(17,293)	17,293	-	-
Balance at 30 June 2014	3,459	42,568	5,799	8,616	-	16,561	-	42	132,031	17,293	(11,509)	214,860

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

Attributable to owners of the Company

	Share capital	Share premium	Capital reserve	Statutory reserve	Share option reserve	Exchange reserve	Revaluation reserve	Capital redemption reserve	Retained earnings	Proposed dividend	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at 1 January 2015	3,459	42,568	5,799	10,613	-	15,329	-	42	151,417	27,669	(11,802)	245,094
Comprehensive income												
Profit for the period	-	-	-	-	-	-	-	-	22,756	-	260	23,016
Other comprehensive income:												
Currency translation differences	-	-	-	-	-	243	-	-	-	-	-	243
Total other comprehensive income for the six months ended 30 June 2015	-	-	-	-	-	243	-	-	-	-	-	243
Total comprehensive income for the six months ended 30 June 2015	-	-	-	-	-	243	-	-	22,756	-	260	23,259
Transactions with owners in their capacity as owners:												
Bonus issue of shares	345	(345)	-	-	-	-	-	-	-	-	-	-
Final dividend relating to 2014	-	-	-	-	-	-	-	-	-	(27,669)	-	(27,669)
Proposed interim dividend	-	-	-	-	-	-	-	-	(19,022)	19,022	-	-
Transfer from statutory reserve	-	-	-	(2)	-	-	-	-	2	-	-	-
Balance at 30 June 2015	3,804	42,223	5,799	10,611	-	15,572	-	42	155,153	19,022	(11,542)	240,684

The notes on page 9 to 38 form part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

For the six months ended 30 June 2015

	Note	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Cash flows from Operating activities			
Cash generated from operations		38,500	29,972
Interest income		260	127
Interest paid		(2,621)	(2,916)
Income tax paid		(4,106)	(4,215)
Net cash generated from operating activities		32,033	22,968
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,449)	(6,860)
Non-current prepayments (paid)/refunded		(235)	560
Proceeds from disposal of property, plant and equipment		110	116
Proceeds from sale of available-for-sale financial assets		–	2,853
Purchase of available-for-sale financial asset		(5,000)	–
Net cash used in investing activities		(9,574)	(3,331)
Cash flows from financing activities			
Capital element of finance lease payments		(557)	(432)
Decrease/(increase) in non-current finance lease receivable		3,029	(2,291)
Dividends paid to the Company's shareholders		(27,669)	(27,669)
Repayment of borrowings		(8,843)	(14,923)
Proceeds from borrowings		45,000	55,000
Increase in pledged bank deposits		(10)	(2,863)
Net cash generated from financing activities		10,950	6,822
Net increase in cash and cash equivalents, net of bank overdrafts			
Cash and cash equivalents at 1 January, net of bank overdrafts		48,220	72,642
Cash and cash equivalents at 30 June, net of bank overdrafts			
		81,629	99,101
Analysis of balances of cash and cash equivalents, net of bank overdrafts			
Cash and cash equivalents		101,811	118,303
Bank overdrafts	22	(20,182)	(19,202)
		81,629	99,101

The notes on pages 9 to 38 form part of the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Alltronics Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 24 July 2003 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (together the “Group”) are the manufacturing and trading of electronic products, plastic moulds, plastic and other components for electronic products, the manufacturing and trading of biodiesel products, and the provision of energy saving business solutions. The address of its registered office is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 July 2005.

This condensed consolidated interim financial information (“Interim Financial Information”) is presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated. This Interim Financial Information has been approved for issue by the Board of Directors (the “Board”) of the Company on 31 August 2015 and has not been audited.

2 BASIS OF PREPARATION

The Interim Financial Information for the six months ended 30 June 2015 (the “Period”) has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. The Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

In the current period, the Group has adopted all the new standards, amendments, interpretations and improvements to standards issued by the HKICPA which are mandatory and relevant to the Group's operations for the accounting period beginning on 1 January 2015. The adoption of these new standards, amendments, interpretations and improvements to standards has not had any material impact on the Group's reported result and financial position.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

The Group has commenced an assessment of the impact of the new standards and amendments that have been issued but are not effective for the financial period beginning 1 January 2015 but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014.

There have been no changes in the risk management policies since year end.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

4.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2015 (unaudited).

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss	350	–	–	350
Derivative financial instruments	–	–	–	–
Total assets	350	–	–	350
Liabilities				
Derivative financial instruments	–	–	5,376	5,376
Total liabilities	–	–	5,376	5,376

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2014 (audited).

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss	434	–	–	434
Derivative financial instruments	–	–	–	–
Total assets	434	–	–	434
Liabilities				
Derivative financial instruments	–	–	11,863	11,863
Total liabilities	–	–	11,863	11,863

(a) Financial instruments in level 1

The financial assets at fair value through profit or loss are based on quoted market prices at the statement of financial position date without any deduction for transaction costs.

(b) Financial instruments in level 3

The fair values of derivative financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date.

Specific valuation technique used to value the financial instruments includes using forward exchange rates at the statement of financial position date to discount back to the present value. The key unobservable data includes the interbank forward exchange rate and the volatility of forward exchange rate. Change in these unobservable data will materially affect the fair value of the financial instruments.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

The following table presents the changes in level 3 instruments for the six months ended 30 June 2015 (unaudited).

	Derivative financial instruments – net HK\$'000
Opening balance	(11,863)
Fair value gain recognised in condensed consolidated income statement	6,487
Closing balance	(5,376)
Total gain for the period included in profit or loss for assets held at the end of the reporting period	6,487

The following table presents the changes in level 3 instruments for the six months ended 30 June 2014 (unaudited).

	Available-for-sale financial assets and derivative financial instruments – net HK\$'000
Opening balance	3,232
Disposal during the period	(2,834)
Fair value loss recognised in condensed consolidated income statement	(39,071)
Closing balance	(38,673)
Total loss for the period included in profit or loss for assets held at the end of the reporting period	(39,071)

For the six months ended 30 June 2015, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. Market rate is used as the discount rate to compute the fair value of level 3 instruments. The higher the discount rate, the lower the fair value.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. For the six months ended 30 June 2015, there were no reclassifications of financial assets nor transfer between levels.

There were no other changes in valuation techniques during the Period.

The carrying values of the Group's other financial assets, including finance lease receivable, trade receivables, deposits and other receivables, pledged bank deposits, cash and cash equivalents, amounts due from non-controlling shareholders of a subsidiary, and other financial liabilities, including borrowings, trade payables, accruals and other payables and amounts due to non-controlling shareholders of a subsidiary, approximate to their fair values due to their short maturities.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive Directors that are used to make strategic decisions and assess performance.

For the six months ended 30 June 2015, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products they provide.

The Group considers the business from both a geographic and product perspective. From a product perspective, management assesses the performance of

- (i) the electronic products segment – the manufacturing and trading of electronic products, plastic moulds, plastic and other components for electronic products;
- (ii) the biodiesel products segment – the manufacturing and trading of biodiesel products in Hong Kong; and
- (iii) the energy saving business segment – the provision of energy saving business solutions to customers.

Revenue is allocated based on the places/countries in which the customers are located.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 SEGMENT INFORMATION (Continued)

Management assesses the performance of the operating segments based on a measure of operating profit/loss (before interest and tax and unallocated operating costs). Other information provided is measured in a manner consistent with that in the Interim Financial Information.

All sales between segments are eliminated on consolidation. All segment revenue reported is derived from external parties. The revenue from external parties reported to the executive Directors is measured in a manner consistent with that in the condensed consolidated interim income statement.

	Electronic products HK\$'000	Biodiesel products HK\$'000	Energy saving business HK\$'000	Total HK\$'000
Six months ended 30 June 2015 (Unaudited)				
Total segment revenue and revenue from external customers for:				
– sales of goods	432,231	2,859	338	435,428
– revenue from services	–	–	728	728
Total revenue	432,231	2,859	1,066	436,156
Operating profit/(loss) before interest and tax	49,584	(10,264)	(3,575)	35,745
Finance income	75	–	185	260
Finance costs	(2,336)	(2)	(283)	(2,621)
Income tax expense	(8,301)	–	–	(8,301)
	39,022	(10,266)	(3,673)	25,083
Unallocated operating costs				(2,067)
Profit for the period				23,016
Other information:				
Depreciation and amortisation	(5,500)	(243)	(1,831)	(7,574)
Fair value gain on derivative financial instruments – net	6,487	–	–	6,487
Impairment on goodwill	–	(8,259)	–	(8,259)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 SEGMENT INFORMATION (Continued)

	Electronic products HK\$'000	Biodiesel products HK\$'000	Energy saving business HK\$'000	Total HK\$'000
Six months ended 30 June 2014 (Unaudited)				
Total segment revenue and revenue from external customers for:				
– sales of goods	479,659	7,527	2,636	489,822
– revenue from services	–	–	104	104
Total revenue	479,659	7,527	2,740	489,926
Operating profit/(loss) before interest and tax	9,071	(2,489)	(1,965)	4,617
Finance income	125	–	2	127
Finance costs	(2,544)	(179)	(193)	(2,916)
Income tax expense	(1,058)	–	–	(1,058)
	5,594	(2,668)	(2,156)	770
Unallocated operating costs				(2,864)
Loss for the period				(2,094)
Other information:				
Depreciation and amortisation	(5,914)	(235)	(366)	(6,515)
Fair value loss on derivative financial instruments – net	(39,071)	–	–	(39,071)
Impairment on goodwill	–	–	–	–

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 SEGMENT INFORMATION (Continued)

The Group is domiciled in Hong Kong. The Group's revenue by geographical location, which is determined by the places/countries in which the customer is located, is as follows:

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The United States	238,245	270,143
Hong Kong	63,358	103,511
Europe	104,128	80,633
The People's Republic of China (the "PRC")	15,443	19,413
Other countries	14,982	16,226
	436,156	489,926

For the six months ended 30 June 2015, revenues of approximately HK\$173,798,000 (2014: HK\$202,665,000) were derived from a single external customer. These revenues were attributable to the electronic products segment.

The Group's non-current assets by geographical location, which is determined by the places/countries in which the asset is located, is as follows:

	As at	As at
	30 June	31 December
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong	59,725	63,321
The PRC	52,411	56,668
	112,136	119,989

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 SEGMENT INFORMATION (Continued)

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Analysis of revenue by category:		
Sale of goods	435,428	489,822
Revenue from services	728	104
Total revenue and turnover	436,156	489,926

6 EXPENSES BY NATURE

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Amortisation of leasehold land and land use rights (Note 13)	25	25
Amortisation of non-current prepayments	1,746	129
Depreciation (Note 12)		
– Owned property, plant and equipment	5,500	5,805
– Leased property, plant and equipment	303	556
Staff costs (including directors' emoluments)	91,639	98,608
Cost of inventories sold	241,352	282,602
Operating leases on rented premises	8,725	7,509
Other expenses	51,895	54,299
Total of cost of sales, distribution costs and administrative expenses	401,185	449,533

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 OTHER LOSSES – NET

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net foreign exchange gain/(loss)	678	(1,028)
Gain/(loss) on disposal of property, plant and equipment	79	(436)
Realised (loss)/gain on derivative financial instruments – net	(632)	1,294
Fair value gain/(loss) on derivative financial instruments – net	6,487	(39,071)
Impairment on goodwill for biodiesel business segment (Note 14)	(8,259)	–
Gain on disposal of available-for-sale financial assets	–	287
Fair value loss on financial assets at fair value through profit or loss	(84)	(14)
Others	438	328
	(1,293)	(38,640)

8 FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interests on bank loans, trust receipt loans and bank overdrafts wholly repayable within five years	2,534	2,865
Interest on loan from a customer	–	5
Interest element of finance leases	87	46
Total finance costs	2,621	2,916
Less: Interest income from bank deposits	(78)	(127)
Finance lease interest income	(182)	–
Finance costs – net	2,361	2,789

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
Hong Kong profits tax (Note a)	5,640	–
PRC enterprise income tax (Note b)	3,025	3,974
Under-provision in prior years	–	66
Deferred income tax credit	(364)	(2,982)
Income tax expense	8,301	1,058

Note:

- (a) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the Period. No provision for Hong Kong profits tax has been made for the six months ended 30 June 2014 as the Group had no estimated assessable profits for that period.
- (b) PRC enterprise income tax has been calculated on the estimated assessable profit at the rates of taxation prevailing in the PRC. As at 30 June 2015, the Company has six subsidiaries operating in the PRC, namely Shenzhen Allcomm Electronic Co. Ltd., 華泰電器製品(深圳)有限公司, 陽江華訊電子製品有限公司, Alltronics Energy Saving (Shenzhen) Limited, 南盈科技發展(深圳)有限公司 and 南華匯盈科技發展(深圳)有限公司. During the period ended 30 June 2015, these subsidiaries were subject to an income tax rate of 25% (2014: 25%) in accordance with the relevant applicable tax laws.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited) (Restated)
Profit/(loss) attributable to owners of the Company (HK\$'000)	22,756	(3,820)
Weighted average number of ordinary shares in issue (thousand) (Note (a)(i))	380,448	380,448
Basic earnings/(loss) per share (HK cents per share)	5.98	(1.00)

Note (a)(i): The weighted average number of ordinary shares in issue is adjusted to reflect the effect of bonus issue for the issue of 34,586,200 bonus shares by the Company on the basis of one new bonus share for every ten shares held by the shareholders on 8 June 2015 and allotted on 29 June 2015. Weighted average number of ordinary shares in issue was restated on the assumption that the bonus issue had been in place in prior period.

(b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the six months ended 30 June 2015, the Company had no dilutive potential ordinary shares.

11 INTERIM DIVIDEND

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Interim dividend, proposed, of HK\$0.05 (2014: HK\$0.045, as restated*) per ordinary share	19,022	17,293

* As restated on the assumption that the bonus issue had been in place in prior period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 INTERIM DIVIDEND (Continued)

The Board recommends the payment of an interim dividend of HK\$0.05 per ordinary share for the six months ended 30 June 2015. The Interim Financial Information does not reflect the above proposed dividend as dividend payable but account for it as proposed dividend from the reserves. The declaration of the interim dividend for the six months ended 30 June 2015 has been approved by the Board on 31 August 2015.

12 PROPERTY, PLANT AND EQUIPMENT

	HK\$'000 (Audited)
Year ended 31 December 2014	
Opening net book amount as at 1 January 2014	44,034
Currency translation differences	(960)
Additions	8,788
Disposals	(636)
Depreciation	(12,410)
Closing net book amount as at 31 December 2014	38,816
	HK\$'000 (Unaudited)
Six months ended 30 June 2015	
Opening net book amount as at 1 January 2015	38,816
Additions	7,094
Disposals	(31)
Depreciation (Note 6)	(5,803)
Closing net book amount as at 30 June 2015	40,076

The Group's buildings are situated in the PRC on a medium term lease. In 1998, the Group entered into an arrangement with two independent third parties for the development of certain manufacturing premises for the Group's use and staff quarters in Shenzhen and the Group's attributable interest in these buildings is 60%. These buildings are accounted for as joint operations of the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

	HK\$'000 (Audited)
Year ended 31 December 2014	
Opening net book amount as at 1 January 2014	1,820
Amortisation charge	(50)
Closing net book amount as at 31 December 2014	1,770

	HK\$'000 (Unaudited)
Six months ended 30 June 2015	
Opening net book amount as at 1 January 2015	1,770
Amortisation charge (Note 6)	(25)
Closing net book amount as at 30 June 2015	1,745

14 INTANGIBLE ASSETS

	HK\$'000 (Audited)
Year ended 31 December 2014	
Net book amount as at 1 January and 31 December 2014	19,931

	HK\$'000 (Unaudited)
Six months ended 30 June 2015	
Opening net book amount as at 1 January 2015	19,931
Impairment (Note 7)	(8,259)
Closing net book amount as at 30 June 2015	11,672

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 INTANGIBLE ASSETS (Continued) Impairment tests for goodwill

The goodwill relates to the excess of consideration paid and the fair value of net assets acquired from the acquisition of two subsidiaries, namely Southchina Engineering and Manufacturing Limited (“Southchina”) and Dynamic Progress International Limited (“Dynamic”). The Group tests whether goodwill has suffered any impairment annually and whenever there is an indication of impairment in accordance with HKAS 36 “Impairment of Assets”. Management considers Southchina and Dynamic as two separate cash-generating units (the “CGUs”). The recoverable amount of the CGUs is determined based on a value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets of Southchina and Dynamic, approved by management covering a five-year period. The pre-tax discount rate of 9.5% and 20.0% (For the six months ended 30 June 2014: 9.5% and 20.0% respectively) have been applied to the cash flow projections for Southchina and Dynamic respectively to reflect specific risks relating to the CGUs.

The key assumptions used for the value-in-use calculation for Southchina and Dynamic are as follows:

	Southchina	Dynamic
Average gross margin	21.0%	27.0%
Annual growth rate	7.5%	13.1%
Discount rate	9.5%	20.0%

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

- Budgeted turnover, operating expenses and finance costs were projected with reference to the expected earnings from manufacturing and trading of plastic moulds, plastic and electronic accessories for Southchina and manufacturing and trading of biodiesel for Dynamic.
- For the business environment, there will be no change in the existing political, legal, regulatory, fiscal or economic conditions, bases or rates of taxation or duties in Hong Kong, or any other countries in which Southchina and Dynamic operate.
- Management determined budgeted gross margin based on past performance and its expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to the business.

Goodwill is allocated to the Group’s cash-generating units (CGUs) identified according to operating segment.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 INTANGIBLE ASSETS (Continued) Impairment tests for goodwill (Continued)

A summary of the goodwill allocation is presented as below:

	As at 31 December 2014 HK\$'000 (Audited)	Impairment for the period HK\$'000 (Unaudited)	As at 30 June 2015 HK\$'000 (Unaudited)
Southchina	11,672	–	11,672
Dynamic	8,259	(8,259)	–
	19,931	(8,259)	11,672

Based on the impairment testing of goodwill, in the opinion of the Directors, no impairment provision is considered necessary for the goodwill of Southchina and full impairment provision amounting to HK\$8,259,000 is required for the goodwill of Dynamic when comparing to the estimated recoverable amount of Dynamic amounting to HK\$676,000 as at 30 June 2015.

The key events and circumstances that led to the recognition of impairment provision of Dynamic's goodwill include:

- (i) the lost of major customers which had led to a significant decrease in sales of biodiesel products; and
- (ii) the deteriorating macroeconomic environment for the biodiesel business as a result of significant drop in the price of fossil-based diesel recently.

The Group reassessed Dynamic's property, plant and equipment and estimated that their useful lives would not be affected. No other class of asset other than Dynamic's goodwill was impaired.

15 AVAILABLE-FOR-SALE FINANCIAL ASSET

The available-for-sale financial asset is an unlisted equity investment in a private entity incorporated in Hong Kong and is measured at cost less impairment. In the opinion of the Directors, the available-for-sale financial asset did not have a quoted market price in an active trading market and its fair value cannot otherwise be measured reliably. The investment is for long term strategic development in the Wi-Fi equipment manufacturing.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 FINANCE LEASE RECEIVABLE

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Non-current finance lease receivable:		
Gross receivable	21,073	24,490
Less: unearned income	(4,471)	(4,859)
	16,602	19,631
Current finance lease receivable:		
Gross receivable	11,769	8,719
Less: unearned income	(674)	(485)
	11,095	8,234
Gross receivable from finance lease:		
– No later than 1 year	11,769	8,719
– Later than 1 year and no later than 5 years	21,073	24,490
	32,842	33,209
Unearned future finance income on finance leases	(5,145)	(5,344)
Net investment in finance lease	27,697	27,865
The net investment in finance lease may be analysed as follows:		
– No later than 1 year	11,095	8,234
– Later than 1 year and no later than 5 years	16,602	19,631
	27,697	27,865

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 TRADE RECEIVABLES

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Trade receivables	132,143	135,222
Less: provision for impairment of receivables	–	–
	132,143	135,222

As at 30 June 2015 and 31 December 2014, the fair values of trade receivables approximated their carrying amounts.

The Group's sales to corporate customers are entered into on credit terms of up to 90 days, except for certain credit worthy customers to whom a longer credit period is allowed. The ageing analysis of trade receivables at the statement of financial position date is as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
0 – 30 days	73,317	77,406
31 – 60 days	35,353	37,361
61 – 90 days	19,465	16,536
91 – 120 days	2,409	3,165
121 – 365 days	1,564	723
Over 365 days	35	31
	132,143	135,222

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

17 TRADE RECEIVABLES (Continued)

Movements on the provision for impairment of trade receivables are as follows:

	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Year ended 31 December 2014 HK\$'000 (Audited)
Opening balance	–	–
Provision for impairment of receivables	–	–
Written off during the period as uncollectible	–	–
Closing balance	–	–

18 DERIVATIVE FINANCIAL INSTRUMENTS

The notional principal amount of the outstanding forward foreign exchange contracts at 30 June 2015 was US\$24,000,000 (approximately HK\$187,200,000) (As at 31 December 2014: US\$42,000,000, approximately HK\$327,600,000). Changes in fair values of derivative financial instruments are recognised in “other losses – net” in the condensed consolidated interim income statement.

19 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
0 – 30 days	47,052	52,330
31 – 60 days	28,177	38,082
61 – 90 days	8,783	12,966
91 – 120 days	2,838	2,562
121 – 365 days	1,249	1,366
Over 365 days	189	498
	88,288	107,804

The fair values of trade payables approximated their carrying amounts.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

20 SHARE CAPITAL

	As at 30 June 2015		As at 31 December 2014	
	Number of shares	Amount HK\$'000 (Unaudited)	Number of shares	Amount HK\$'000 (Audited)
Authorised:				
Ordinary shares	10,000,000,000	100,000	10,000,000,000	100,000
Issued and fully paid:				
At beginning of the period/year	345,862,000	3,459	345,862,000	3,459
Issue of bonus shares	34,586,200	345	-	-
At end of the period/year	380,448,200	3,804	345,862,000	3,459

Notes:

- (a) Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 28 May 2015, the Company has allotted and issued 34,586,200 bonus shares on 29 June 2015, credited as fully paid at par, on the basis of one new bonus share for every ten shares held by the shareholders of the Company whose names appeared on the register of members of the Company on 8 June 2015. During the Period, the Company had not issued any other new shares.
- (b) The Company has not repurchased any of its own shares during the six months ended 30 June 2015 nor during the year ended 31 December 2014.

At 30 June 2015, the Company had in issue a total of 380,448,200 ordinary shares of HK\$0.01 each.

21 SHARE-BASED PAYMENT TRANSACTIONS

On 22 June 2005, the Company adopted a share option scheme (the "Share Option Scheme") for the primary purpose of providing incentives or rewards to employees and Directors of the Company or any of its subsidiaries and any supplier and/or sub-contractor of the Group (the "Participants") for their contributions or potential contributions to the Group. The Share Option Scheme shall be valid and effective for a period of 10 years commencing from the date on which the Share Option Scheme is adopted.

21 SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10 per cent. (the "General Scheme Limit") of the total number of shares on 15 July 2005, the listing date. The Company may seek approval of the shareholders in general meeting to refresh the General Scheme Limit such that the total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10 per cent. of the issued share capital of the Company at the date of approval to refresh such limit. At the annual general meeting of the Company held on 18 May 2011, an ordinary resolution has been passed by the shareholders of the Company to refresh the General Scheme Limit.

Notwithstanding the above, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30 per cent. of the total number of shares of the Company in issue from time to time. No option may be granted under the Share Option Scheme and any other share option schemes of the Company if this will result in the aforesaid 30 per cent. limit being exceeded. Unless with the approval of the shareholders in general meeting, the maximum number of shares issued and to be issued upon the exercise of the options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme and other share option schemes of the Company in any twelve-month period shall not exceed 1 per cent. of the shares in issue.

An option must be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of the option is made, but shall end in any event not later than 10 years from the date on which the offer for the grant of the option is made, subject to the provisions for early termination thereof. The amount payable on acceptance of the grant of an option is HK\$1. Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is neither any performance target that needs to be achieved by a grantee before an option can be exercised nor any minimum period for which an option must be held before it can be exercised.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The subscription price in respect of each share issued under the Share Option Scheme shall be a price solely determined by the Directors but shall not be less than the highest of:

- (i) the nominal value of a share;
- (ii) the closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange on the date upon which the relevant option is accepted and deemed to be granted (the "Commencement Date"), which must be a business day; and
- (iii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Commencement Date.

The Share Option Scheme had expired on 21 June 2015.

During the six months ended 30 June 2015, there were no share options granted, exercised, cancelled or lapsed. As at 30 June 2015, there were no outstanding share options.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

22 BORROWINGS

The analysis of the carrying amount of borrowings is as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Current liabilities		
Bank overdrafts, secured (Note 23)	20,182	16,151
Bills payable, secured (Note 23)	46,162	43,686
Trust receipt loans, secured (Note 23)	239	270
Portion of term loans from banks due for repayment within one year (Note a)	99,054	76,230
Portion of term loans from banks due for repayment after one year which contain a repayment on demand clause (Note a)	13,333	–
Obligations under finance leases (Note b)	1,107	596
	180,077	136,933
Non-current liabilities		
Obligations under finance leases (Note b)	2,408	831

Details of the available banking facilities and securities given in respect of the above secured borrowings are set out in Note 23.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

22 BORROWINGS (Continued)

(a) The Group's bank loans were due for repayment as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Within one year	99,054	76,230
In the second year	6,666	–
In the third to fifth year	6,667	–
	112,387	76,230

The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

The interest-bearing bank borrowings, including the term loans repayable on demand, are carried at amortised cost. None of the portion of term loans due for repayment after one year which contains a repayment on demand clause is expected to be settled within one year.

(b) The Group's finance lease liabilities were repayable as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Within one year	1,238	656
In the second year	1,129	656
In the third to fifth year	1,428	219
	3,795	1,531
Future finance charges on finance leases	(280)	(104)
Present value of finance lease liabilities	3,515	1,427

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

22 BORROWINGS (Continued)

(b) (Continued)

The present value of finance lease liabilities is as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Within one year	1,107	596
In the second year	1,044	621
In the third to fifth year	1,364	210
	3,515	1,427

Some of the banking facilities are subject to the fulfillment of covenants relating to certain of the Company's or the Group's statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Company or the Group were to breach the covenants the drawn down facilities would become repayable on demand. In addition, certain of the Company's and the Group's term loan arrangements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the Company or the Group has complied with the covenants and met the scheduled repayment obligations.

The Company and the Group regularly monitor its compliance with these covenants, are up to date with the scheduled repayments of the term loans and do not consider it probable that the respective banks will exercise their discretion to demand repayment for so long as the Company and the Group continue to meet these requirements. During the six months ended 30 June 2015 and the year ended 31 December 2014, none of the lenders had exercised their rights to demand immediate repayment of drawn down facilities, either at their sole discretion or due to any breach of covenants.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

23 BANKING FACILITIES

As at 30 June 2015, the Group's total available banking facilities amounted to approximately HK\$463 million (As at 31 December 2014: HK\$417 million), of which approximately HK\$252 million (As at 31 December 2014: HK\$281 million) was unutilised. These facilities were secured by the following:

- (a) corporate guarantees given by the Company (Note 25(b));
- (b) pledge of the Group's bank deposits denominated in HK\$ of approximately HK\$6.6 million (As at 31 December 2014: HK\$6.6 million) and bank deposits denominated in US\$ of approximately HK\$3.9 million (As at 31 December 2014: HK\$3.9 million); and
- (c) the Group's trade receivables of HK\$1.4 million (As at 31 December 2014: HK\$1.8 million).

As at 30 June 2015, the banking facilities granted to a subsidiary, Southchina, were also secured by personal guarantees given by other non-controlling shareholders of Southchina.

24 COMMITMENTS

(a) Financial commitment for investment in a subsidiary

During the Period, the registered capital of Alltronics Energy Saving (Shenzhen) Limited, a wholly owned foreign investment enterprise set up by the Group in the PRC, had been increased from HK\$40,000,000 to HK\$60,000,000. As at 30 June 2015, the paid up registered capital of Alltronics Energy Saving (Shenzhen) Limited amounted HK\$46,000,000 (As at 31 December 2014: the paid up capital amounted to HK\$40,000,000). The remaining HK\$14,000,000 unpaid registered capital is required to be paid by the Group on or before 29 January 2017.

(b) Financial commitment for investment in an associate

During the year ended 31 December 2014, the Group has established a 49% owned associate in the PRC, namely Yichun Yilian Print Tech Co., Ltd. ("Yichun Yilian"). The registered capital of Yichun Yilian was RMB30,000,000, of which the Group has to contribute RMB14,700,000. As at 30 June 2015 and 31 December 2014, the paid up capital contributed by the Group amounted to RMB4,900,000. The remaining RMB9,800,000 unpaid registered capital is required to be contributed by the Group on or before 6 November 2016.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

24 COMMITMENTS (Continued)

(c) Operating lease commitments

The Group leases various offices, warehouses and quarters under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Not later than one year	19,604	17,206
Later than one year and not later than five years	28,529	38,948
Later than five years	7,994	10,338
	56,127	66,492

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

25 RELATED PARTY TRANSACTIONS

The Group is controlled by Profit International Holdings Limited (incorporated in the British Virgin Islands), which owns 66.8% of the Company's issued shares as at 30 June 2015 (2014: 66.8%). In the opinion of the Directors, Profit International Holdings Limited is the ultimate holding company and Mr. Lam Yin Kee is the ultimate controlling party of the Company.

- (a) Significant related party transactions, which were carried out in the normal course of the Group's business and at terms negotiated between the Group and the respective parties, were as follows:

	Note	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Rental expenses paid to Profit Home Investments Limited	(i)	900	900

- (i) Ms. Yeung Po Wah and Mr. Lam Chee Tai, Eric are executive Directors of the Company, and have 60% and 20% equity interests in Profit Home Investments Limited respectively.

- (b) Significant related party transactions between the Company and its subsidiaries were as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Financial guarantees given to subsidiaries for banking facilities which are utilised to the amount of (Note 23(a)):	211,314	136,337

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

25 RELATED PARTY TRANSACTIONS (Continued) (c) Key management compensation

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Directors' fees	532	507
Salaries and other short-term employee benefits	10,259	10,853
Post-employment benefits	114	109
	10,905	11,469

INTERIM DIVIDEND

The Board declared an interim dividend of HK5 cents per ordinary share for the six months ended 30 June 2015, payable on or about 20 October 2015, to the shareholders whose names appear on the register of members of the Company on 30 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 25 September 2015 to 30 September 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 24 September 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

Total turnover for the six months ended 30 June 2015 (the "Period") had decreased by 11.0% to HK\$436.2 million, as compared to HK\$489.9 million for the same period in 2014. The turnover analysis by business segment for the two periods is as follows:

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Revenue from sales of electronic products	432,231	479,659
Revenue from sales of biodiesel products	2,859	7,527
Revenue from energy saving business	1,066	2,740
	436,156	489,926

Sales of electronic products comprise sales of finished electronic products; plastic moulds and components; and other components for electronic products. The decrease in total sales revenue from electronic products was mainly due to the drop in sales of finished electronic products, which had decreased from HK\$383.0 million in 2014 to HK\$324.6 million in 2015, due to less orders from customers in the United States and Hong Kong. Demand from customers in other geographical locations had remained stable. On the other hand, sales revenue from plastic moulds and components; and other components for electronic products had increased by HK\$8.4 million and HK\$2.6 million respectively during the Period.

The sales revenue from biodiesel products had dropped by 62.0%. In May 2015, the Group has submitted the tender documents for the renewal contract for the supply of B5 biodiesel to the Hong Kong Government. The Group has failed to bid the tender for the renewal contract. The global oil commodity prices had dropped continuously and this had led to reduction in the unit selling prices for biodiesel products. Furthermore, biodiesel products will be less attractive to customers when oil commodity prices drop and there is less incentive for customers to shift from fossil-based diesel to biodiesel. In view of the uncertainties for the operations of the biodiesel business segment, an impairment provision of HK\$8.3 million on the goodwill for biodiesel business segment had been made.

MANAGEMENT DISCUSSION AND ANALYSIS

Regarding the energy saving business segment, total revenue generated during the Period was HK\$1.1 million, as compared to HK\$2.7 million in 2014. During the Period, the LED lighting equipment project (the “Suning EMC Project”) with Suning Commerce Group Co., Ltd. (“Suning”) continued and over 100 retail stores of Suning had completed the installation work and pending for the inspection procedures with Suning. The inspection procedures for these retail stores will be completed in the second half of 2015. During the Period, the Group had also completed the installation work at a hotel at Beijing operated by HNA Group Co., Ltd. and the Group expects to complete the inspection procedures at this hotel during the second half of 2015. The total revenue generated during the Period was the energy saving revenue sharing from retail stores and hotel with LED lighting equipment installed and inspected.

In terms of geographical market, the United States continued to be the major market for the Group’s products and accounted for approximately 54.6% of the total turnover for the Period (2014: 55.1%). Sales to customers in Hong Kong had decreased by HK\$40.2 million while sales to customers in Europe had increased by HK\$23.5 million. Sales to other geographical locations had remained stable. The Group will continue its efforts to secure new customers in different markets so that the turnover by geographical location can be spread more evenly.

Gross profit

The overall gross profit margin had improved from 17.8% for the six months ended 30 June 2014 to 18.6% for 2015. The increase in overall gross profit margin was mainly due to adjustment in selling prices and the Group’s continued effort to tighten the controls over production costs and overheads, and to improve production efficiency so as to maximise the gross profit margin.

Operating expenses and other gains/losses

During the Period, total administrative expenses had decreased slightly from HK\$42.9 million in 2014 to HK\$42.3 million in 2015, whilst total distribution costs and total finance costs had remained stable. Included in other losses of HK\$1.3 million for the Period was a fair value gain on derivative financial instruments of HK\$6.5 million. There was a fair value loss on derivative financial instruments of HK\$39.1 million for the corresponding period in 2014. In view of the uncertainties for the operations of the biodiesel business, an impairment provision of HK\$8.3 million on the goodwill for biodiesel business segment had been made.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period was HK\$22.8 million, compared to a loss of HK\$3.8 million for 2014. The loss for 2014 was mainly due to the fair value loss on derivative financial instruments of HK\$39.1 million recorded, whereas there was a fair value gain of HK\$6.5 million for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

PRODUCTION FACILITIES

The Group currently has three production facilities in the PRC for the manufacturing of electronic products and components, two of which are located in Shenzhen, and one in Yangxi. During the Period, the Group spent approximately HK\$2.3 million to acquire plant and machinery, approximately HK\$3.2 million to acquire motor vehicles and spent approximately HK\$0.7 million on leasehold improvements to enhance its production capacity.

The Group's biodiesel production facilities are located in Tuen Mun, Hong Kong with a current production capacity of approximately 18,000 tons of biodiesel on an annual basis.

The Group believes that the current production facilities for the electronic products segment and the biodiesel products segment are sufficient for their production requirements in the near future.

The Group has set up an office with LED testing facilities in Shenzhen to carry out its energy saving business.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

At 30 June 2015, the Group's total cash and cash equivalents, net of current bank overdrafts, amounted to HK\$81.6 million. The net funds are sufficient to finance the Group's working capital and capital expenditure plans.

At 30 June 2015, total borrowings of the Group amounted to HK\$182.5 million, comprising bank overdrafts of HK\$20.2 million, bank loans of HK\$112.4 million, bills payable and trust receipt loans of HK\$46.4 million and obligations under finance leases of HK\$3.5 million, all of which are denominated in Hong Kong dollars or Renminbi.

The Group's trade receivable turnover, inventory turnover and trade payable turnover were approximately 55 days, 87 days and 76 days respectively for the Period. These turnover periods are consistent with the respective policies of the Group on credit terms granted to customers and obtained from suppliers.

As at 30 June 2015, the Group's total current assets had increased by 6.0% to HK\$462.4 million compared to HK\$436.1 million as at 31 December 2014, and the Group's total current liabilities had increased by 7.3% to HK\$326.5 million compared to HK\$304.4 million as at 31 December 2014. The current ratio (current assets/current liabilities) as at 30 June 2015 was 1.42 times, which is at approximately the same level of 1.43 times as at 31 December 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 28 May 2015, the Company has allotted and issued 34,586,200 bonus shares, credited as fully paid at par, on the basis of one new bonus share for every ten shares held by the shareholders of the Company whose names appear on the register of members of the Company on 8 June 2015. During the Period, the Company had not issued any other new shares and had not repurchased any of its own shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

At 30 June 2015, the Company had in issue a total of 380,448,200 ordinary shares. During the Period, there were no share options granted, exercised, lapsed or cancelled. The Company's share option scheme as adopted on 22 June 2005 had expired on 21 June 2015. As at 30 June 2015, the Company did not have any share options outstanding.

CASH FLOWS

The net balance of cash, cash equivalents and bank overdrafts at 30 June 2015 was HK\$81.6 million, which had increased by HK\$33.4 million compared to the balance at 31 December 2014.

The net cash generated from operating activities for the Period was HK\$32.0 million. The net cash used in investing activities amounted to HK\$9.6 million, which was mainly due to HK\$4.4 million paid for the acquisition of property, plant and equipment; and HK\$5.0 million paid for the purchase of available-for-sale financial asset.

On the other hand, there was a net cash inflow of HK\$10.9 million from financing activities. During the Period, new borrowings of HK\$45.0 million were obtained and HK\$9.4 million was used to repay borrowings and finance leases, and HK\$27.7 million was paid to shareholders as dividend.

CAPITAL EXPENDITURE

During the Period, the Group acquired property, plant and equipment at a total cost of HK\$7.1 million, mainly financed by finance leases and internal resources of the Group.

PLEDGE OF ASSETS

At 30 June 2015, the Group had total bank borrowings (excluding obligations under finance leases) of HK\$179.0 million, out of which HK\$25.9 million were secured by short-term bank deposits of HK\$10.5 million and trade receivables of HK\$1.4 million.

MANAGEMENT DISCUSSION AND ANALYSIS

GEARING RATIO

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the condensed consolidated interim statement of financial position) less trade related debts and cash and cash equivalents. Total capital is calculated as 'equity', as shown in the condensed consolidated interim statement of financial position.

As at 30 June 2015, the gearing ratio of the Group was 14.2% (2014: 5.3%).

CONTINGENT LIABILITIES

At both 30 June 2015 and 31 December 2014, the Group did not have any material contingent liabilities.

EMPLOYEES

At 30 June 2015, the Group had 2,754 employees, of which 79 were employed in Hong Kong and 2,675 were employed in the PRC. Salaries of employees are maintained at competitive levels. The Group operates a defined contribution mandatory provident fund retirement benefits scheme for all its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulations in the PRC. The Group also offers discretionary bonuses to its employees by reference to the performance of individual employees and the overall performance of the Group. Total staff costs, including directors' emoluments, incurred by the Group for the Period amounted to HK\$91.6 million.

The Company has also adopted a share option scheme on 22 June 2005. During the Period, no share options had been granted, exercised, lapsed or cancelled. The share option scheme had expired on 21 June 2015. As at 30 June 2015, there were no share options remained outstanding under the share option scheme.

The Group did not experience any significant labour disputes or substantial changes in the number of its employees that led to any disruption of its normal business operations. The Board believes that the Group's management and employees are the most valuable asset of the Group and they have contributed to the success of the Group.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's sales are denominated in United States dollars and most of the purchases of raw materials are denominated in Renminbi and Hong Kong dollars. Furthermore, most of the Group's monetary assets are denominated in Hong Kong dollars, United States dollars and Renminbi.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's principal production facilities are located in the PRC whilst its sales proceeds are primarily settled in United States dollars, Hong Kong dollars or Renminbi. As such, management is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between United States dollars, Hong Kong dollars and Renminbi. Although the foreign currency risk is not considered to be significant, management has taken action to minimise the risk. In particular, the Group entered into forward foreign exchange contracts with major and reputable financial institutions to hedge its foreign exchange risk exposure. As at 30 June 2015, the aggregate notional amount over the remaining contract periods of outstanding forward foreign exchange contracts to buy Renminbi is approximately US\$24.0 million (equivalent to approximately HK\$187.2 million). These are for hedging against foreign exchange risk exposure relating to the production costs and certain outstanding payables denominated in Renminbi. Management will continue to evaluate the Group's foreign currency exposure and take further actions as appropriate to minimise the Group's exposure whenever necessary.

OUTLOOK

In view of the recent fluctuations in the global stock markets and foreign exchange rates, the Group foresees that the global economic environment in the second half of 2015 will remain uncertain. Factors such as the risk of fluctuation of exchange rate of Renminbi against United States dollars and Hong Kong dollars; the consistent upward adjustment on the minimum wage levels in the PRC; and the risk of global inflation will continue to be the critical elements affecting the performance of the Group's electronic products segment. The Group will continue its efforts to tighten controls over production costs and overheads, and to improve production efficiency so as to maximise the gross profit margin.

Negotiations with potential customers for Wi-Fi equipment and medical equipment are still in progress and product samples had been sent to potential customers for evaluation and approval. In August 2015, the Group has entered into a co-operative agreement with a subsidiary of China Unicom (Hong Kong) Limited ("China Unicom") in Shenzhen to develop Wi-Fi services and act as a sales agent for China Unicom 4G service plans in Shenzhen. The Group will invest, build and manage the Wi-Fi facilities for China Unicom and plans to target the factories in Shenzhen as pilot locations in the first stage.

The demand for the Group's irrigation controllers and other electronic products will remain to be strong, and the Group has confidence that the performance of the electronic business segment will remain stable during the second half of 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Regarding the 49% owned associate established in the PRC for the manufacture and sale of printers and other accessory products, its factory located at Yi Chun had commenced trial production in the second quarter of 2015 and formal orders from customers are expected during the third quarter of 2015.

In terms of geographical market, the sales to the United States customers accounted for over 50% of the total sales for the Period. The Group foresees that the United States will still be the major market for its products in 2015. The Group will continue to devote efforts to explore new markets and new customers to broaden its customer base.

The demand for the Group's biodiesel products remained at low levels during the Period. The continual drop in the global oil commodity prices has resulted in downward adjustments to the unit selling prices of biodiesel products. Furthermore, customers are becoming less tempted to shift to use biodiesel products when the oil commodity prices drop. In view of the uncertainties ahead for the Group's biodiesel business segment, impairment on the goodwill on biodiesel business segment, amounting HK\$8.3 million, had been made during the Period. However, the Group will continue to explore new customers in Hong Kong for its biodiesel products, so as to help to improve air quality and to make Hong Kong a cleaner place to live.

Regarding the energy efficient gas stoves business, approximately 20 energy efficient gas stoves had been installed for customers as of 30 June 2015, and the Group expects to install approximately 50 energy efficient gas stoves during the second half of 2015.

Regarding the Suning EMC Project, as of 30 June 2015, the Group had completed the installation work and the inspection procedures at over 200 retail stores of Suning, and over 100 retail stores of Suning had completed the installation work and pending for the inspection procedures. The Group will continue the installation work at other retail stores of Suning in the second half of 2015. The Group will also continue its negotiation with HNA Group Co., Ltd. for the provision of energy saving business solutions to other hotels managed by HNA Group Co., Ltd..

Energy saving products such as energy efficient gas stoves and LED lighting equipment can provide additional stable source of income to the Group. Looking forward, the Group will continue to explore opportunities for energy saving projects with other potential customers, both in the PRC and in Hong Kong, and will grasp every opportunity and continue to look for investment opportunity so as to diversify its business and to provide a better return to all shareholders.

SHARE OPTION SCHEME

Pursuant to a written resolution of the shareholders of the Company passed on 22 June 2005, a share option scheme (the "Share Option Scheme") was approved and adopted. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentive or rewards for their contributions or potential contributions to the Group.

The Share Option Scheme shall be valid and effective for a period of 10 years commencing from 22 June 2005, being the date on which the Share Option Scheme was adopted. The Share Option Scheme had expired on 21 June 2015 and, as at 30 June 2015, there were no share options granted under the Share Option Scheme prior to its expiry which are still exercisable pursuant to the terms of the scheme.

During the six months ended 30 June 2015 and the year ended 31 December 2014, there were no share options granted, exercised, cancelled or lapsed. As at 30 June 2015 and 31 December 2014, there were no outstanding share options issued under the Share Option Scheme.

As the Share Option Scheme had expired on 21 June 2015, there were no shares of the Company available for issue under the Share Option Scheme as the date of this report. As at the date of the 2014 annual report of the Company, the total number of shares of the Company available for issue under the Share Option Scheme was 31,442,000, which represented 9.1% of the issued share capital of the Company as at the date of the 2014 annual report.

Further details of the Share Option Scheme are set out in the 2014 annual report of the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 30 June 2015, the interests and short positions of each Director and Chief Executive in the shares and underlying shares of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") were as follows:

(a) Ordinary shares of HK\$0.01 each of the Company at 30 June 2015

Name of Director		Number of shares held			Total	% of the issued share capital of the Company
		Personal interests	Family interests	Corporate interests		
Mr. Lam Yin Kee	Long positions	8,408,290	-	254,100,000 (Note 1)	262,508,290	69.0
Ms. Yeung Po Wah	Long positions	-	262,508,290	-	262,508,290	69.0
Mr. Lam Chee Tai, Eric	Long positions	1,677,060	-	-	1,677,060	0.4

Notes:

- 254,100,000 shares are owned by Profit International Holdings Limited, a company incorporated in the British Virgin Islands and is owned as to 95% by Mr. Lam Yin Kee and 5% by Ms. Yeung Po Wah. Ms. Yeung Po Wah is an executive Director of the Company and the spouse of Mr. Lam Yin Kee.
- Mr. Lam Yin Kee and Ms. Yeung Po Wah are directors and beneficial owners of Profit International Holdings Limited.
- Mr. Lam Chee Tai, Eric is the son of Mr. Lam Yin Kee and Ms. Yeung Po Wah.

(b) Share options of the Company at 30 June 2015

None of the Directors and Chief Executives has held any share options as at 30 June 2015.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Continued)

(c) Interests in an associated corporation, Profit International Holdings Limited (Ordinary share of US\$1 each) at 30 June 2015

Name of Director		Number of shares held			Total	% of the issued share capital of the associated corporation
		Personal interests	Family interests	Corporate interests		
Mr. Lam Yin Kee	Long positions	950	-	-	950	95.0
Ms. Yeung Po Wah	Long positions	50	-	-	50	5.0

Saved as disclosed above, at no time during the Period, the Directors and Chief Executives (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and its associated corporations required to be disclosed pursuant to the SFO.

Other than those interests and short positions disclosed above, the Directors and Chief Executives also hold shares of certain subsidiaries solely for the purpose of ensuring that the relevant subsidiary has more than one member.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that at 30 June 2015, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

Name	Number of shares			Total	% of the issued share capital of the Company
	Personal interests	Nature of interest			
Profit International Holdings Limited	Long positions	254,100,000	Beneficially owned	254,100,000	66.8

Save as disclosed above and so far as the Directors and Chief Executives of the Company are aware of, at 30 June 2015, there were no other person, other than the Directors or Chief Executives of the Company, who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company in accordance with the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

CORPORATE GOVERNANCE

The Board believes that corporate governance is essential to the success of the Group. The Group keeps abreast of the best practices in the corporate governance areas and strives to implement such practices as appropriate. None of the Directors of the Company is aware of any information that would reasonably indicate that the Company or any of its Directors is not or was not at any time during the Period and up to the date of this report, in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules, except for the limited deviation on the grounds and causes as explained below. The Board will review and update the current practices regularly to ensure compliance with the latest practices in corporate governance so as to protect and maximise the interests of shareholders.

Code Provision A.2.1 stipulates that the role of chairman and chief executive should be separated and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive and Mr. Lam Yin Kee currently holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long term business strategies.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code for dealing in securities of the Company by the Directors. Having made specific enquiry of all Directors of the Company, the Company confirms that all Directors of the Company have complied with the required standard set out in the Model Code during the Period.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established with written terms of reference in compliance with the Listing Rules. The Audit Committee shall meet at least twice every year and currently comprises three members being the independent non-executive Directors of the Company, namely Mr. Pang Kwong Wah (Chairman), Mr. Yau Ming Kim, Robert and Mr. Leung Kam Wah.

The Interim Financial Information has been reviewed by the Audit Committee at a meeting held on 31 August 2015, which is of the opinion that the Interim Financial Information complied with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

CORPORATE GOVERNANCE

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) was established with written terms of reference in compliance with the Listing Rules. The Remuneration Committee shall meet at least once every year and shall have a minimum of five members, comprising a majority of independent non-executive directors. The Chairman of the Remuneration Committee is Mr. Pang Kwong Wah and other current members include Mr. Lam Yin Kee, Ms. Yeung Po Wah, Mr. Yau Ming Kim, Robert and Mr. Leung Kam Wah.

NOMINATION COMMITTEE

The nomination committee of the Company (the “Nomination Committee”) was established with written terms of reference in compliance with the Listing Rules. The Nomination Committee shall meet at least once every year and shall have a minimum of five members, comprising a majority of independent non-executive directors. The Chairman of the Nomination Committee is Mr. Lam Yin Kee and other current members include Ms. Yeung Po Wah, Mr. Pang Kwong Wah, Mr. Yau Ming Kim, Robert and Mr. Leung Kam Wah.

CHANGES IN INFORMATION OF DIRECTORS

There were no changes in directors’ information since publication of the 2014 annual report of the Company and there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SUPPLEMENTARY INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Period.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The electronic version of this report will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company's website (<http://www.irasia.com/listco/hk/alltronics/index.htm>).

APPRECIATION

The Board would like to thank the Company's shareholders and the Group's business partners for their continuous support and to extend its sincere appreciation to all of the Group's management and staff for their dedication and contribution throughout the Period.

By order of the Board
Alltronics Holdings Limited
Lam Yin Kee
Chairman

Hong Kong, 31 August 2015

As at the date of this report, the Board of the Company comprises:

Executive Directors

Mr. Lam Yin Kee, Ms. Yeung Po Wah, Mr. Lam Chee Tai, Eric and Mr. So Kin Hung

Non-executive Director

Mr. Fan, William Chung Yue

Independent Non-executive Directors

Mr. Pang Kwong Wah, Mr. Yau Ming Kim, Robert and Mr. Leung Kam Wah

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. LAM Yin Kee
(*Chairman and Chief Executive*)
Ms. YEUNG Po Wah
Mr. LAM Chee Tai, Eric
Mr. SO Kin Hung

Non-executive Director

Mr. FAN, William Chung Yue

Independent Non-executive Directors

Mr. PANG Kwong Wah
Mr. YAU Ming Kim, Robert
Mr. LEUNG Kam Wah

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 1108, 11/F,
Eastwood Centre,
No. 5 A Kung Ngam Village Road
Shau Kei Wan
Hong Kong

COMPANY SECRETARY

Mr. LEUNG Fuk Cheung

STOCK CODE

833

INDEPENDENT AUDITOR

PricewaterhouseCoopers

AUDIT COMMITTEE

Mr. PANG Kwong Wah (*Chairman*)
Mr. YAU Ming Kim, Robert
Mr. LEUNG Kam Wah

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

SHARE REGISTRARS AND TRANSFER OFFICE

In Hong Kong
Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

In Cayman Islands
Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

WEBSITE

<http://www.irasia.com/listco/hk/alltronics/index.htm>