ALLTRONICS HOLDINGS LIMITED
華訊股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 833)

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2008

The Board (the "Board") of Directors ("Directors") of Alltronics Holdings Limited (the "Company") announces the final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2008, prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by The Hong Kong Institute of Certified Public Accountants, together with comparative figures for the corresponding year in 2007 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2008

	Note	2008 *HK$'000*	2007 *HK$'000*
Revenue	3	**497,364**	575,080
Cost of sales	4	**(439,594)**	(441,582)
Gross profit		**57,770**	133,498
Distribution costs	4	**(4,783)**	(5,456)
Administrative expenses	4	**(55,919)**	(61,052)
Other losses – net	5	**(2,458)**	(1,533)
Operating (loss)/profit		**(5,390)**	65,457
Finance costs – net	6	**(4,071)**	(3,565)
(Loss)/Profit before income tax		**(9,461)**	61,892
Income tax expense	7	**(1,096)**	(11,163)
(Loss)/Profit for the year		**(10,557)**	50,729
Attributable to:			
Equity holders of the Company		**(9,602)**	48,917
Minority interest		**(955)**	1,812
		(10,557)	50,729

	Note	**2008**	2007
		HK$'000	*HK$'000*
(Loss)/Earnings per share for (loss)/profit attributable to the equity holders of the Company during the year			
(expressed in HK cents per share)			
– Basic	*8*	**(3.08)**	15.97
– Diluted	*8*	**(3.08)**	15.92
Dividends	*9*	**–**	28,154

CONSOLIDATED BALANCE SHEET
As at 31 December 2008

	Note	2008 HK$'000	2007 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**64,942**	57,528
Leasehold land and land use rights		**2,072**	2,122
Intangible assets		**20,508**	11,672
Available-for-sale financial assets		**3,613**	3,482
Prepayment for non-current assets		**2,894**	1,683
Deferred income tax assets		**2,660**	54
Total non-current assets		**96,689**	76,541
Current assets			
Inventories		**80,430**	83,447
Trade receivables	*10*	**89,495**	64,516
Prepayments, deposits and other receivables		**6,586**	3,774
Amount due from a related company		**8,218**	509
Amount due from the ultimate holding company		**29**	29
Amount due from minority shareholders of a subsidiary		**557**	1,522
Pledged bank deposits		**2,410**	2,376
Cash and cash equivalents		**64,796**	104,634
Total current assets		**252,521**	260,807
Total assets		**349,210**	337,348
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**3,143**	3,130
Reserves			
Proposed final dividend		**–**	12,520
Others		**171,221**	187,668
		174,364	203,318
Minority interests		**(885)**	6,956
Total equity		**173,479**	210,274

	Note	2008	2007
		HK$'000	HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings		**33,324**	7,205
Deferred income tax liabilities		**1,444**	1,568
Total non-current liabilities		**34,768**	8,773
Current liabilities			
Trade payables	*11*	**55,912**	51,253
Accruals and other payables		**26,363**	24,261
Current income tax liabilities		**2,136**	1,983
Borrowings		**55,202**	40,804
Derivative financial instruments		**1,350**	–
Total current liabilities		**140,963**	118,301
Total liabilities		**175,731**	127,074
Total equity and liabilities		**349,210**	337,348
Net current assets		**111,558**	142,506
Total assets less current liabilities		**208,247**	219,047

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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 Group are the manufacturing and trading of electronic products, plastic moulds, plastic and other components for electronic products. During the year, the Group acquired 51% equity interests in Dynamic Progress International Limited ("Dynamic"), being a private limited liability company incorporated in Hong Kong engaging in the manufacturing of biodiesel in Hong Kong.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 15 July 2005. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 24 April 2009.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS issued by The Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Appendix 16 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange. These consolidated financial statements have been prepared under the historical cost convention except that available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value through profit or loss are stated at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

The principal accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all the years presented, except for certain presentational changes.

In the current year, the Group has adopted the following new amendments and interpretations issued by the HKICPA which is relevant to the Group:

HKAS 39 & HKFRS 7 – (Amendments)	Amendments to HKAS 39 – Financial instruments: Recognition and measurement and HKFRS 7 – Financial instruments: Disclosures – Reclassification of financial assets
HK(IFRIC) – Int 11	HKFRS 2 – Group and treasury share transactions
HK(IFRIC) – Int 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The application of the above interpretations had no impact on the Group's financial statements.

3 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and trading of electronic products, plastic moulds, plastic and other components for electronic products. During the year, the Group has commenced the business of manufacturing of biodiesel through the acquisition of a 51% owned subsidiary. The acquisition of the subsidiary was completed on 27 November 2008 and the turnover and contributions from the biodiesel business are insignificant in the current year.

	2008	2007
	HK$'000	*HK$'000*
Turnover		
Sale of goods	**497,364**	575,080
Other income		
Dividends from available-for-sale financial assets	**21**	22
	497,385	575,102

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format in these consolidated financial statements because this is more relevant to the Group in making operating and financial decisions.

(a) Primary reporting format – business segment

During the year, the Group has been operating principally in one single business segment, namely the manufacturing and trading of electronics products, plastic moulds, plastic and other components for electronic products. The operation of the biodiesel business was not significant during the year and therefore has not been regarded as a separate reporting segment.

(b) Secondary reporting format – geographical segment

The Group's business segment operates in five main geographical areas, even though they are managed on a worldwide basis.

The Group's revenue arises mainly in places/countries within Hong Kong, the United States, Europe and the People's Republic of China (the "PRC"). Revenue is allocated based on the places/countries in which the customers are located.

Revenue

	2008	2007
	HK$'000	*HK$'000*
The United States	**229,987**	361,781
Hong Kong	**141,618**	125,159
Europe	**60,788**	50,695
PRC	**21,079**	16,163
Other countries	**43,892**	21,282
	497,364	575,080

Capital expenditure is allocated based on where the assets are located.

Capital expenditure

	2008	2007
	HK$'000	*HK$'000*
PRC	**12,960**	13,403
Hong Kong	**5,429**	2,618
	18,389	16,021

Total assets are allocated based on where the assets are located.

Total assets

	2008	2007
	HK$'000	*HK$'000*
PRC	**155,106**	148,029
Hong Kong	**194,104**	189,319
	349,210	337,348

4 EXPENSES BY NATURE

	2008	2007
	HK$'000	*HK$'000*
Cost of inventories sold	**286,599**	307,285
Provision for impairment of inventories	**2,967**	2,639
Employee benefit expense – excluding Directors' emoluments	**107,528**	89,723
Employee benefit expense – Directors' emoluments	**7,057**	6,094
Depreciation		
– Owned fixed assets	**14,994**	13,319
– Leased fixed assets	**1,312**	1,626
Provision for impairment on receivables	**2,370**	469
Impaired receivables written-off	**–**	113
Amortisation of prepaid operating lease payments	**50**	50
Operating lease payments	**11,592**	10,530
Auditor's remuneration	**1,496**	1,537
Other expenses	**64,331**	74,705
Total of cost of sales, distribution costs, and administrative expenses	**500,296**	508,090

5 OTHER LOSSES – NET

	2008	2007
	HK$'000	*HK$'000*
Dividends from available-for-sale financial assets	**21**	22
(Loss)/Gain on disposals of financial assets at fair value through profit or loss	**(98)**	2,522
Fair value loss on derivative financial instruments	**(1,350)**	–
Net foreign exchange losses	**(1,542)**	(3,136)
Gain/(Loss) on disposals of property, plant and equipment	**52**	(1,187)
Others	**459**	246
	(2,458)	(1,533)

6 FINANCE COSTS – NET

	2008	2007
	HK$'000	*HK$'000*
Interests on bank loans and bank overdrafts	**5,289**	7,242
Interest element of finance leases	**216**	360
Total finance costs	**5,505**	7,602
Less: Interest income from bank deposits	**(1,434)**	(4,037)
Finance costs – net	**4,071**	3,565

7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2008	2007
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**630**	7,911
– PRC enterprise income tax *(Note a)*	**3,033**	3,172
Under-provision in prior years	**163**	35
Deferred income tax	**(2,730)**	45
	1,096	11,163

Note:

(a) PRC enterprise income tax has been calculated on the estimated assessable profits at the rates of taxation prevailing in the PRC. As at 31 December 2008, the Company had five subsidiaries operating in the PRC, namely Shenzhen Allcomm Electronic Co. Ltd. ("Shenzhen Allcomm"), Alltronics Tech. Mftg. Limited ("ATM"), Southchina Engineering and Manufacturing Limited ("Southchina"), 陽江市華訊電子制品有限公司 ("陽江華訊") and 南盈科技發展(深圳)有限公司 ("南盈"). During the year, Shenzhen Allcomm, ATM, Southchina and 南盈 were subject to a standard income tax rate of 18% and 陽江華訊 was subject to a standard income tax rate of 25% in accordance with the relevant applicable tax laws. 南盈 was entitled to full exemption of PRC income tax for the two years ended 31 December 2005, followed by a 50% reduction of PRC income tax for the three years ended 31 December 2008.

8 (LOSS)/EARNINGS PER SHARE

(a) Basic

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

	2008	2007
(Loss)/Profit attributable to equity holders of the Company *(HK$'000)*	**(9,602)**	48,917
Weighted average number of ordinary shares in issue *(thousand)*	**312,020**	306,388
Basic (loss)/earnings per share *(HK cents per share)*	**(3.08)**	15.97

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares: share options. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2008	2007
(Loss)/Profit attributable to equity holders of the Company *(HK$'000)*	**(9,602)**	48,917
Weighted average number of ordinary shares in issue *(thousand)*	**312,020**	306,388
Adjustments for share options *(thousand)*	**–**	825
Weighted average number of ordinary shares for diluted (loss)/earnings per share *(thousand)*	**312,020**	307,213
Diluted (loss)/earnings per share *(HK cents per share)*	**(3.08)**	15.92

Diluted loss per share is the same as basic loss per share presented for the year ended 31 December 2008 as the effect of the assumed conversion of all dilutive potential ordinary shares outstanding during the year was anti-dilutive.

9 DIVIDENDS

	2008 *HK$'000*	2007 *HK$'000*
Interim dividend paid of HK$nil (2007: HK$5.0 cents) per ordinary share	**–**	15,634
Proposed final dividend of HK$nil (2007: HK$4.0 cents) per ordinary share *(Note a)*	**–**	12,520
	–	28,154

Note:

(a) No dividend has been declared for the year ended 31 December 2008.

10 TRADE RECEIVABLES

	2008 *HK$'000*	2007 *HK$'000*
Trade receivables	**92,877**	65,528
Less: provision for impairment of receivables	**(3,382)**	(1,012)
	89,495	64,516

As at 31 December 2007 and 2008, 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 balance sheet dates is as follows:

	2008 *HK$'000*	2007 *HK$'000*
0 – 30 days	**47,506**	36,203
31 – 60 days	**22,563**	16,787
61 – 90 days	**10,854**	5,657
91 – 120 days	**8,181**	4,310
121 – 365 days	**2,308**	1,116
Over 365 days	**1,465**	1,455
	92,877	65,528
Less: provision for impairment of receivables	**(3,382)**	(1,012)
	89,495	64,516

11 TRADE PAYABLES

The ageing analysis of the trade payables is as follows:

	2008	2007
	HK$'000	*HK$'000*
0 – 30 days	**25,999**	24,154
31– 60 days	**24,036**	19,777
61– 90 days	**3,816**	5,649
91 – 120 days	**509**	941
121 – 365 days	**1,260**	587
Over 365 days	**292**	145
	55,912	51,253

The carrying amounts of trade payables approximated their fair values. The credit period granted by the creditors generally ranged from 30 to 60 days.

12 ULTIMATE HOLDING COMPANY

The Group is controlled by Profit International Holdings Limited (incorporated in British Virgin Islands), which owns 66.8% of the Company's shares as at 31 December 2008. In the opinion of the Directors, Profit International Holdings Limited is the ultimate holding company of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

The turnover of the Group for the year ended 31 December 2008 had decreased by 13.5% to HK$497 million, as compared to HK$575 million for the year 2007. The turnover analysis by category of products for the two years ended 31 December 2008 and 2007 respectively are as follows:

	2008	2007
	HK$'000	*HK$'000*
Sales of electronic products	**369,403**	464,359
Sales of components for electronic products	**93,970**	71,607
Sales of plastic moulds and plastic components	**33,784**	39,114
Sales of biodiesel	**207**	–
	497,364	575,080

During the year, the Group has acquired 51% equity interest in Dynamic. The principal business activity of Dynamic is the manufacturing of biodiesel in Hong Kong. As the acquisition of Dynamic was completed on 27 November 2008, the contributions from Dynamic to the Group's turnover and results for the period from 27 November 2008 to 31 December 2008 were not significant.

Sales of electronic products for the year dropped by 20.4% from HK$464 million to HK$369 million during the year whereas sales of components for electronic products increased by 31.2% from HK$72 million to HK$94 million. During the year, sales of plastic moulds and plastic components dropped by 13.6% from HK$39 million to HK$34 million.

The decrease in sales of electronic products was mainly due to the reduction in sales to the United States market as a result of the global economic and credit crisis, especially the adverse effect on the property market in the United States. During the year, the sales of the Group's major product, irrigation controllers, has dropped by HK$119 million to HK$143 million only, as compared to HK$262 million last year. The sales of other electronic products to the United States market, such as carbon monoxide detectors, had also decreased. As a result, the sales of electronic products have dropped by HK$95 million and the total sales to the United States market have dropped by HK$132 million.

Despite the adverse market conditions during the year, the demand for the Group's components for electronic products remained strong and experienced a growth of HK$22 million or 31.2% over last year. To cope with the increasing demand from customers for component products, the Group has set up a new factory in Yangxi, the PRC, for the manufacturing of transformers and chargers during the year. The labour costs and overhead for this new factory in Yangxi are comparatively lower than those of the Group's other factories at Shenzhen, PRC. This enables the Group to remain competitive in the market.

The drop in sales of plastic moulds and plastic components was mainly due to the Group's intention to reduce the scale of the plastic and moulds operations so that more resources can be focused on other higher margin products.

Gross profit

The gross profit margin had dropped significantly during the year from 23.2% for the year 2007 to 11.6% for the year. The fall in gross profit margin was due to a number of factors, including the increase in labour costs due to the New Labour Contract Law in the PRC which became effective since 1 January 2008; the increase in minimum wages level for workers at Shenzhen, PRC; the continuous appreciation in the value of Renminbi; and the increase in oil and commodities prices which in turn led to increases in raw material prices. The increase in proportion of sale of component products during the year has also lowered the overall gross profit margin as the profit margins for these products are lower than those of electronic products. During the second half of the year, the Group had adjusted its product prices to compensate part of the increased material and labour costs and overhead.

Operating expenses

During the year ended 31 December 2008, distribution costs were at approximately 1.0% of turnover. This is the same as that for the previous year. Total administrative expenses dropped by HK$5 million to HK$56 million during the year. The fall was mainly due to the Group's continued effort to tighten its control over cost and overhead. On the other hand, the net finance costs for the year had increased slightly by HK$0.5 million due to increased borrowings and decrease in interest income.

Net loss

As a result of the drop in sales and gross profit margin, the Group has incurred a loss of HK$11 million for the year, compared to a net profit of HK$51 million for the year 2007.

PRODUCTION FACILITIES

The Group currently has four production plants in the PRC for the manufacturing of electronic products and components, plastic moulds and plastic components, three of which are located at Shenzhen, and one at Yangxi. During the year 2008, the Group spent approximately HK$4 million to acquire new plant and machinery and approximately HK$9 million on leasehold improvements to enhance its production capacity. These additions were mainly for the set up of the new factory at Yangxi. The Group believes that the current production facilities are sufficient for its production requirements in the near future.

During the year, the Group also acquired 51% equity interest in Dynamic, which has established production facilities at Tuen Mun, Hong Kong for the production of biodiesel. The current production capacity of the Tuen Mun plant is approximately 55,000 litres of biodiesel per day.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

At 31 December 2008, total cash and cash equivalents, net of current bank overdrafts, amounted to HK$48 million. The net funds are sufficient to finance the Group's working capital and capital expenditure plans.

At 31 December 2008, total borrowings of the Group amounted to HK$88 million, comprising bank overdrafts of HK$17 million, bank loans of HK$52 million, bills payable and trust receipt loans of HK$17 million and obligations under finance leases of HK$2 million, all of which are denominated in Hong Kong dollars, except for a US$2.6 million term loan. The average effective interest rates for each of these borrowings at 31 December 2008 ranged from 3.9% to 5.7%.

The Group's trade receivable turnover, inventory turnover and trade payable turnover were approximately 66 days, 67 days and 71 days respectively for the year 2008. These turnover periods are consistent with the respective policies of the Group on credit terms granted to customers and obtained from suppliers.

During the year, the Company repurchased 4,170,000 of its own shares on the Stock Exchange, at a total consideration of HK$8 million. These shares were cancelled and accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. On 27 November 2008, a total of 5,500,000 shares were issued as partial consideration for the acquisition of 51% equity interest in Dynamic. At 31 December 2008, the Company had in issue a total of 314,320,000 ordinary shares of HK$0.01 each.

CASH FLOWS

The net balance of cash, cash equivalents and bank overdrafts at 31 December 2008 was HK$48 million, which had decreased by HK$47 million compared to the balance at 31 December 2007.

The net cash used in operating activities for the year was HK$19 million. In addition, the net cash used in investing activities amounted to HK$38 million, which was mainly due to HK$18 million net cash outflow in respect of the acquisition of a subsidiary and HK$18 million spent on the addition of property, plant and equipment.

On the other hand, there was a net cash inflow of HK$9 million from financing activities in 2008. During the year, new borrowings of HK$46 million were obtained and HK$16 million was used to repay bank borrowings and finance leases, HK$13 million was paid to shareholders as dividend and HK$8 million was used to repurchase 4,170,000 of the Company shares.

PLEDGE OF ASSETS

At 31 December 2008, the Group had total bank borrowings of HK$86 million, out of which HK$24 million were secured by short-term bank deposits of HK$2.4 million, available-for-sale financial assets of HK$3.6 million and trade receivables of HK$2 million.

GEARING RATIO

At 31 December 2008, the Group had a net debt balance of HK$6 million, being total borrowings of HK$88 million less trade related debts of HK$17 million and cash and cash equivalents of HK$65 million. The net debt position as at 31 December 2008 was mainly due to the new bank loans of HK$46 million obtained during the year. The gearing ratio of the Group then calculated by dividing the net debt balance by the shareholders' equity of HK$173 million as at 31 December 2008 was 3.8%. At 31 December 2007, the Group had a net cash position and did not have any gearing.

CONTINGENT LIABILITIES

At both 31 December 2008 and 31 December 2007, the Group did not have any material contingent liabilities.

EMPLOYEES

At 31 December 2008, the Group had 3,329 employees, of which 84 were employed in Hong Kong and 3,245 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 regulation 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, excluding Directors' emoluments, incurred by the Group for 2008 amounted to HK$108 million.

The Company has also adopted a share option scheme on 22 June 2005. During the year, no share options were granted or exercised. A total of 510,000 share options had lapsed during the year.

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 have contributed to the success of the Group.

FOREIGN EXCHANGE EXPOSURE

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

The Group's principal production facilities are located in the PRC whilst its sales proceeds are primarily settled in United States dollars or Hong Kong dollars. 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, a substantial portion of the Group's borrowings were denominated in Hong Kong dollars. 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

The Group expects that the challenges and adverse global economic environment in 2008 will continue in 2009. In order to maintain a competitive position in the industry, the Group will continue to pursue a more cost effective operational structure and will continue to tighten its controls over production costs and overheads so as to maximize the gross profit margins. The Group will focus more resources to explore new products, new customers and new markets.

Under the current economic situation, it is still uncertain whether the United States economy will recover in 2009 or whether it will perform even worse than 2008. However, the Group believes that the PRC will be one of the first countries to recover from the global financial tsunami. The Group will devote significant effort to explore the PRC market in 2009.

The acquisition of Dynamic in 2008 also enables the Group to diversify its business to a new business with high growth potential. Dynamic is the first and currently the only licensed manufacturer of biodiesel in Hong Kong. Biodiesel is a green alternative energy substitute for petroleum-based diesel. The Group has confidence that the demand for biodiesel will increase in a fast pace in Hong Kong in the future.

Although there are challenges ahead in terms of competition and rising production costs, management is confident that it will meet these challenges because it has a well balanced worldwide customer base; consistently high quality products; and timely delivery, strong engineering and development support to its customers allied with an experienced and dedicated management team and its highly skilled and efficient workforce.

DIVIDENDS

In order to retain more cash to finance the operations of the Group and to prepare for expansion in future, the Board does not recommend the payment of any dividend for the year ended 31 December 2008.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, the Company repurchased 4,170,000 of its own shares on the Stock Exchange. These shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. Details of the repurchases during the year ended 31 December 2008 are summarised as follows:

Month/year	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate consideration paid
		HK$	*HK$*	*HK$'000*
August 2008	4,170,000	2.45	1.70	8,329

The Directors believe that the repurchases were made for the benefit of the shareholders of the Company as a whole.

Save as disclosed above, neither the Company nor its subsidiary companies has purchased or sold any of the Company's shares during the year ended 31 December 2008 and the Company has not redeemed any of its shares during the year.

CORPORATE GOVERNANCE

The Company and its Directors confirm, to the best of their knowledge, that the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as contained in Appendix 14 of the Listing Rules (the "Corporate Governance Code"), except for the deviation as mentioned below.

Code Provision A.2.1 stipulates that the role of Chairman and Chief Executive should be separated and ought 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 OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its code for dealing in securities of the Company by the Directors (the "Code"). Having made specific enquiry of all Directors of the Company, all the Directors of the Company confirmed that they had complied with the required standard as set out in the Code for the year ended 31 December 2008.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") pursuant to a resolution of the Board passed on 22 June 2005 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The primary duty of the Audit Committee is to review the financial reporting process of the Group. The Audit Committee comprises the three independent non-executive Directors of the Company, namely Mr. Barry John Buttifant, Mr. Leung Kam Wah and Ms. Yeung Chi Ying. Mr. Barry John Buttifant is the Chairman of the Committee.

REVIEW OF ACCOUNTS

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2008. The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2008 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") pursuant to a resolution of the Board passed on 22 June 2005 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The primary duty of the Remuneration Committee is to make recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior executives of the Group. In addition, it has the responsibility for reviewing and making appropriate recommendations to the Board on compensation payable to executive Directors and senior executives in connection with any loss or termination of their office, or relating to dismissal or removal of Directors for misconduct.

The Remuneration Committee comprises the three independent non-executive Directors and two executive Directors of the Company, namely Mr. Lam Yin Kee, Ms. Yeung Po Wah, Mr. Barry John Buttifant, Mr. Leung Kam Wah and Ms. Yeung Chi Ying. Mr. Lam Yin Kee is the Chairman of the Committee.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting 2009 ("AGM") will be held at Mont Blanc Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on 2 June 2009 at 3:00 p.m.. The notice of the AGM will be published on the website of the Stock Exchange (http://www.hkexnews.hk) and our Company's website (http://www.irasia.com/listco/hk/alltronics/index.htm) and dispatched to shareholders on or about 29 April 2009.

The register of members of the Company will be closed from Tuesday, 26 May 2009 to Tuesday, 2 June 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 25 May 2009.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The electronic version of this announcement will be published on the website of the Stock Exchange (http://www.hkexnews.hk) and our Company's website (http://www.irasia.com/listco/hk/alltronics/index.htm). The annual report for the year ended 31 December 2008 containing the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the website of the Stock Exchange and the Company in due course.

By order of the Board
Lam Yin Kee
Chairman

Hong Kong, 24 April 2009

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

Executive Directors
Mr. Lam Yin Kee, Ms. Yeung Po Wah and Mr. So Kin Hung

Non-executive Director
Mr. Fan, William Chung Yue

Independent non-executive Directors
Mr. Barry John Buttifant, Mr. Leung Kam Wah and Ms. Yeung Chi Ying