ALLTRONICS HOLDINGS LIMITED
華訊股份有限公司

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

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

The board (the "Board") of directors ("Directors") of Alltronics Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2012, prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by The Hong Kong Institute of Certified Public Accountants ("HKICPA"), together with comparative figures for the corresponding year in 2011 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2012

	Note	**2012** *HK$'000*	2011 *HK$'000*
Revenue	*5*	**788,688**	801,694
Cost of sales	*6*	**(663,643)**	(661,665)
Gross profit		**125,045**	140,029
Other income	*5*	**4**	26
Distribution costs	*6*	**(5,242)**	(5,215)
Administrative expenses	*6*	**(76,256)**	(76,874)
Other gains/(losses) – net	*7*	**11,294**	(8,562)
Operating profit		**54,845**	49,404
Finance income	*8*	**166**	330
Finance costs	*8*	**(6,183)**	(4,362)
Profit before income tax		**48,828**	45,372
Income tax expense	*9*	**(11,542)**	(13,355)
Profit for the year		**37,286**	32,017

	Note	2012 HK$'000	2011 HK$'000
Attributable to:			
Owners of the Company		**38,262**	33,423
Non-controlling interests		**(976)**	(1,406)
		37,286	32,017
Earnings per share for profit attributable to owners of the Company (expressed in HK cents per share)			
– basic	*10*	**12.17**	10.63
– diluted	*10*	**12.17**	10.63
Dividends	*11*	**23,582**	28,298

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	2012 HK$'000	2011 HK$'000
Profit for the year	**37,286**	32,017
Other comprehensive income		
Fair value gain on available-for-sale financial assets	**30**	55
Currency translation differences	**–**	4,748
Total other comprehensive income for the year	**30**	4,803
Total comprehensive income for the year	**37,316**	36,820
Total comprehensive income attributable to:		
Owners of the Company	**38,277**	38,091
Non-controlling interests	**(961)**	(1,271)
	37,316	36,820

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

	Note	**2012**	2011
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**48,552**	53,539
Leasehold land and land use rights		**1,871**	1,921
Intangible assets		**20,452**	20,452
Available-for-sale financial assets		**2,856**	2,826
Prepayments		**25,560**	560
Deferred income tax assets		**753**	875
Total non-current assets		**100,044**	80,173
Current assets			
Inventories		**145,776**	124,142
Trade receivables	*12*	**114,806**	126,270
Prepayments, deposits and other receivables		**22,168**	14,011
Amount due from a related company		**107**	16
Amount due from the ultimate holding company		**34**	34
Amounts due from non-controlling shareholders of a subsidiary		**834**	613
Financial assets at fair value through profit or loss		**1,535**	2,088
Derivative financial instruments		**1,007**	–
Pledged bank deposits		**5,969**	4,957
Tax recoverable		**1,738**	57
Cash and cash equivalents (excluding bank overdrafts)		**78,046**	72,736
Total current assets		**372,020**	344,924
Total assets		**472,064**	425,097

	Note	2012 HK$'000	2011 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**3,144**	3,144
Reserves			
Proposed final dividend		**14,149**	15,721
Others		**219,353**	204,658
		236,646	223,523
Non-controlling interests		**(9,395)**	(8,434)
Total equity		**227,251**	215,089
LIABILITIES			
Non-current liabilities			
Borrowings		**1,010**	3,944
Deferred income tax liabilities		**1,411**	1,351
Total non-current liabilities		**2,421**	5,295
Current liabilities			
Trade payables	*13*	**78,091**	76,039
Accruals and other payables		**27,767**	28,841
Amounts due to non-controlling shareholders of a subsidiary		**26**	–
Current income tax liabilities		**2,679**	5,352
Borrowings		**132,482**	85,192
Derivative financial instruments		**1,347**	9,289
Total current liabilities		**242,392**	204,713
Total liabilities		**244,813**	210,008
Total equity and liabilities		**472,064**	425,097
Net current assets		**129,628**	140,211
Total assets less current liabilities		**229,672**	220,384

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, 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.

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 the Company on 27 March 2013.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with HKFRS issued by the HKICPA. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

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.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

(a) New standards, amendments to standards and interpretations mandatory for the first time for the financial year beginning 1 January 2012, but are not currently relevant to the Group:

HKAS 12 (Amendment)	Deferred tax: Recovery of underlying assets
HKFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters
HKFRS 7 (Amendment)	Disclosure – Transfers of financial assets

(b) New standards, amendments to standards and interpretations issued but not yet effective for the financial year beginning 1 January 2012 and have not been early adopted:

HKAS 1 (Amendment)	Presentation of financial statements
HKAS 19 (Amendment)	Employee benefits
HKAS 27 (revised 2011)	Separate financial statements
HKAS 27 (Amendment 2011), HKFRS 10 (Amendment) and HKFRS 12 (Amendment)	Investment entities
HKAS 28 (revised 2011)	Investments in associates and joint ventures
HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities
HKFRS 1 (Amendment)	Government loans
HKFRS 7 (Amendment)	Financial instruments: Disclosures – Offsetting financial assets and financial liabilities
HKFRS 9	Financial instruments
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory effective date of HKFRS 9 and transition disclosures
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 10 (Amendment), HKFRS 11 (Amendment) and HKFRS 12 (Amendment)	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 13	Fair value measurements
HKFRSs (Amendment)	Annual improvements 2009-2011 cycle
HK (IFRIC)-Int 20	Stripping cost in the production phase of a surface mine

Management is in the process of assessing the impact of the above new standards, amendments to standards and interpretations, which have been issued but are not yet effective for 2012, on the Group's operations and financial statement presentation.

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, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

There have been no changes in the risk management department since 31 December 2011 or in any risk management policies.

4.2 Liquidity risk

Compared to 31 December 2011, 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 31 December 2012.

	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				
– Equity securities	**1,535**	**–**	**–**	**1,535**
Available-for-sale financial assets				
– Unlisted capital guaranteed funds	**–**	**–**	**2,856**	**2,856**
Derivative financial instruments	**–**	**–**	**1,007**	**1,007**
Total assets	**1,535**	**–**	**3,863**	**5,398**
Liabilities				
Derivative financial instruments	**–**	**–**	**1,347**	**1,347**
Total liabilities	**–**	**–**	**1,347**	**1,347**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2011.

	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				
– Equity securities	2,088	–	–	2,088
Available-for-sale financial assets				
– Unlisted capital guaranteed funds	–	–	2,826	2,826
Total assets	2,088	–	2,826	4,914
Liabilities				
Derivative financial instruments	–	–	9,289	9,289
Total liabilities	–	–	9,289	9,289

The fair value of available-for-sale financial assets that are not traded in an active market is determined with reference to indicative market values provided by the issuers.

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

The fair value 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.

The following table presents the changes in level 3 instruments for the year ended 31 December 2012.

	Available-for-sale financial assets and derivative financial instruments-net ***HK$'000***
Opening balance	**(6,463)**
Fair value gain recognised in equity	**30**
Fair value gain recognised in consolidated income statement	**8,949**
Closing balance	**2,516**
Total gain for the year included in profit or loss for assets held at the end of the reporting period	**8,949**

The following table presents the changes in level 3 instruments for the year ended 31 December 2011.

	Available-for-sale financial assets and derivative financial instruments-net *HK$'000*
Opening balance	2,970
Fair value gain recognised in equity	55
Fair value losses recognised in consolidated income statement	(9,488)
Closing balance	(6,463)
Total losses for the year included in profit or loss for assets held at the end of the reporting period	(9,488)

In 2012 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.

In 2012 there were no reclassifications of financial assets.

5 SEGMENT INFORMATION

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

On 13 February 2012, Alltronics Energy Saving (Shenzhen) Limited ("Alltronics Energy Saving"), a wholly-owned subsidiary of the Group, entered into an energy management agreement (the "Suning EMC Agreement") with Suning Appliance Co., Limited ("Suning Appliance"), China Potevio Company Limited ("China Potevio") and 北京巨龍東方國際信息技術有限責任公司 ("Beijing Dragon"), which is a subsidiary of China Potevio, for the provision of energy saving business solutions to at least 1,000 retail stores operated by Suning Appliance in The People's Republic of China (the "PRC") through the use of green energy saving LED lighting equipment. Pursuant to the terms of the Suning EMC Agreement, the Group and China Potevio Group is entitled to 98% and 2% of all the payments from Suning Appliance respectively during a period of 60 months, commencing from the date of signing the inspection and energy saving revenue sharing confirmation by the Group and Suning Appliance.

For the year ended 31 December 2012, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products or services they provide.

The Group considers the business from both a geographic and a 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.

Management assesses the performance of the operating segments based on a measure of operating profit (before unallocated operating costs). Other information provided is measured in a manner consistent with that in the consolidated financial statements.

All sales between segments were 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 consolidated income statement.

	Electronic products *HK$'000*	**Biodiesel products** *HK$'000*	**Energy saving business** *HK$'000*	**Total** *HK$'000*
Year ended 31 December 2012				
Total segment revenue and revenue from external customers	**746,730**	**41,756**	**202**	**788,688**
Operating profit/(loss) before interest and tax	**67,144**	**(2,284)**	**(6,991)**	**57,869**
Finance income	**160**	**–**	**6**	**166**
Finance costs	**(4,616)**	**(979)**	**(588)**	**(6,183)**
Income tax expense	**(11,542)**	**–**	**–**	**(11,542)**
	51,146	**(3,263)**	**(7,573)**	**40,310**
Unallocated operating costs				**(3,024)**
Profit for the year				**37,286**
Other information:				
Depreciation and amortisation	**(14,261)**	**(664)**	**(218)**	**(15,143)**
Fair value gain on derivative financial instruments-net	**8,949**	**–**	**–**	**8,949**

	Electronic products *HK$'000*	Biodiesel products *HK$'000*	Energy saving business *HK$'000*	Total *HK$'000*
Year ended 31 December 2011				
Total segment revenue and revenue from external customers	785,081	16,613	–	801,694
Operating profit/(loss) before interest and tax	61,071	(5,060)	(2,977)	53,034
Finance income	330	–	–	330
Finance costs	(3,372)	(990)	–	(4,362)
Income tax expense	(13,355)	–	–	(13,355)
	44,674	(6,050)	(2,977)	35,647
Unallocated operating costs				(3,630)
Profit for the year				32,017
Other information:				
Depreciation and amortisation	(16,182)	(960)	(69)	(17,211)
Fair value loss on derivative financial instruments-net	(9,488)	–	–	(9,488)

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:

	2012 ***HK$'000***	2011 *HK$'000*
The United States	**394,816**	430,812
Hong Kong	**196,413**	202,707
Europe	**138,235**	91,559
The PRC	**38,488**	59,171
Other countries	**20,736**	17,445
	788,688	801,694

For the year ended 31 December 2012, revenues of approximately HK$263,043,000 (2011: HK$310,903,000) were derived from a single external customer. These revenues were attributable to the electronic products segment.

	Electronic products *HK$'000*	Biodiesel products *HK$'000*	Energy saving business *HK$'000*	Total *HK$'000*
As at 31 December 2012				
Total segment assets	**385,018**	**15,923**	**70,671**	**471,612**
Unallocated:				
Cash and cash equivalents				**277**
Prepayments, deposits and other receivables				**145**
Tax recoverable				**30**
Total assets per consolidated statement of financial position				**472,064**
Total segment liabilities	**217,102**	**9,801**	**17,138**	**244,041**
Unallocated:				
Accruals and other payables				**772**
Total liabilities per consolidated statement of financial position				**244,813**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**8,505**	**679**	**25,927**	**35,111**

	Electronic products HK$'000	Biodiesel products HK$'000	Energy saving business HK$'000	Total HK$'000
As at 31 December 2011				
Total segment assets	399,288	16,396	9,145	424,829
Unallocated:				
Cash and cash equivalents				149
Prepayments, deposits and other receivables				62
Tax recoverable				57
Total assets per consolidated statement of financial position				425,097
Total segment liabilities	189,947	19,017	199	209,163
Unallocated:				
Accruals and other payables				845
Total liabilities per consolidated statement of financial position				210,008
Additions to non-current assets (other than financial instruments and deferred income tax assets)	12,084	234	330	12,648

Additions to non-current assets comprise additions to leasehold land and land use rights, property, plant and equipment and intangible assets including additions resulting from acquisition through business combinations.

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

	2012 ***HK$'000***	2011 *HK$'000*
Hong Kong	**57,582**	31,623
The PRC	**42,462**	48,550
	100,044	80,173

Analysis of revenue by category:

	2012 ***HK$'000***	2011 *HK$'000*
Sale of goods	**788,688**	801,694
Other income		
Dividend income from financial assets at fair value through profit or loss	**4**	26

6 EXPENSES BY NATURE

	2012 *HK$'000*	2011 *HK$'000*
Amortisation of leasehold land and land use rights	**50**	50
Auditor's remuneration	**1,559**	1,665
Cost of inventories sold	**489,066**	479,977
Depreciation		
– Owned property, plant and equipment	**13,412**	15,749
– Leased property, plant and equipment	**1,681**	1,412
Employee benefit expense – excluding Directors' emoluments	**135,544**	137,023
Employee benefit expense – Directors' emoluments	**10,069**	9,376
(Reversal of provision)/provision for slow moving and obsolete inventories	**(2,155)**	1,033
Provision for impairment of receivables	**65**	2,364
Impaired trade receivables written off	**183**	–
Operating leases on rented premises	**14,104**	14,741
Other expenses	**81,563**	80,364
Total of cost of sales, distribution costs and administrative expenses	**745,141**	743,754

7 OTHER GAINS/(LOSSES)-NET

	2012 *HK$'000*	2011 *HK$'000*
Realised gain/(loss) on financial assets at fair value through profit or loss-net	**209**	(229)
Fair value loss on financial assets at fair value through profit or loss-net	**(105)**	(1,707)
Fair value gain/(loss) on derivative financial instruments-net	**8,949**	(9,488)
Realised gain on derivative financial instruments	**4,675**	3,305
Net foreign exchange losses	**(3,549)**	(2,027)
(Loss)/gain on disposals of property, plant and equipment	**(5)**	524
Others	**1,120**	1,060
	11,294	(8,562)

8 FINANCE INCOME AND COSTS

	2012	2011
	HK$'000	*HK$'000*
Interests on bank loans, trust receipt loans and bank overdrafts wholly repayable within five years	**5,874**	3,934
Interest on loan from a customer	**126**	132
Interest element of finance leases	**183**	296
Total finance costs	**6,183**	4,362
Less: Interest income from bank deposits	**(166)**	(330)
Finance costs-net	**6,017**	4,032

For the years ended 31 December 2012 and 2011, the interest on bank borrowings which contain a repayment on demand clause amounted to HK$5,874,000 and HK$3,934,000 respectively.

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) 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.

	2012	2011
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**6,490**	8,096
– PRC enterprise income tax (Note a)	**4,762**	4,736
Underprovision in prior years	**108**	31
Deferred taxation charge	**182**	492
Income tax expense	**11,542**	13,355

Note:

(a) PRC enterprise income tax has been calculated on the estimated assessable profit at the rates of taxation prevailing in the PRC. As at 31 December 2012, the Company has six subsidiaries operating in the PRC, namely Shenzhen Allcomm Electronic Co. Ltd. ("Shenzhen Allcomm"), Alltronics Tech. Mftg. Limited ("ATM"), Southchina Engineering and Manufacturing Limited ("Southchina"), 華泰電器制品(深圳)有限公司("華訊制品"), 陽江市華訊電子制品有限公司("陽江華訊"), Alltronics Energy Saving (Shenzhen) Limited ("Alltronics Energy Saving") and 南盈科技發展(深圳)有限公司("南盈"). During the year ended 31 December 2012, Shenzhen Allcomm, ATM, Southchina and 南盈 were subject to an income tax rate of 25% (2011: 24%), 華訊制品, 陽江華訊 and Alltronics Energy Saving were subject to a standard income tax rate of 25% (2011: 25%) in accordance with the relevant applicable tax laws.

10 EARNINGS PER SHARE

(a) Basic

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

	2012	2011
Profit attributable to owners of the Company (HK$'000)	**38,262**	33,423
Weighted average number of ordinary shares in issue (thousand)	**314,420**	314,402
Basic earnings per share (HK cents per share)	**12.17**	10.63

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2012, the Company had only one category of dilutive potential ordinary shares: share options. A calculation was made in order to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the year) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above was compared with the number of shares that would have been issued assuming the exercise of the share options.

	2012	2011
Profit attributable to owners of the Company (HK$'000)	**38,262**	33,423
Weighted average number of ordinary shares in issue (thousand)	**314,420**	314,402
Adjustments for share options (thousand)	**–**	–
Weighted average number of ordinary shares for diluted earnings per share (thousand)	**314,420**	314,402
Diluted earnings per share (HK cents per share)	**12.17**	10.63

The assumed conversion of potential ordinary shares arising from the share options during the year would be anti-dilutive.

11 DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Interim dividend, paid, of HK3.0 cents (2011: HK4.0 cents) per ordinary share	**9,433**	12,577
Proposed final dividend of HK4.5 cents (2011: HK5.0 cents) per ordinary share	**14,149**	15,721
	23,582	28,298

The Board recommends the payment of a final dividend of HK4.5 cents per ordinary share, totalling HK$14,149,000. Such dividend is to be approved by the shareholders at the Annual General Meeting of the Company to be held on 29 May 2013. These consolidated financial statements do not reflect this proposed dividend as dividend payable but account for it as proposed dividend from the reserves.

The Board recommends to make a bonus issue of one new share credited as fully paid for every ten shares held by the shareholders of the Company. The proposed bonus issue is subject to approval by the shareholders of the Company at the Annual General Meeting of the Company to be held on 29 May 2013.

12 TRADE RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**115,196**	128,634
Less: provision for impairment of receivables	**(390)**	(2,364)
	114,806	126,270

As at 31 December 2012 and 2011, 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 is as follows:

	2012	2011
	HK$'000	*HK$'000*
0 – 30 days	**70,727**	76,954
31 – 60 days	**24,987**	31,863
61 – 90 days	**13,246**	11,359
91 – 120 days	**4,597**	5,358
121 – 365 days	**1,609**	2,612
Over 365 days	**30**	488
	115,196	128,634

13 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	2012	2011
	HK$'000	*HK$'000*
0 – 30 days	**41,245**	36,960
31 – 60 days	**28,833**	30,339
61 – 90 days	**5,303**	5,856
91 – 120 days	**1,489**	924
121 – 365 days	**949**	1,562
Over 365 days	**272**	398
	78,091	76,039

As at 31 December 2012 and 2011, the fair values of trade payables approximated their carrying amounts.

14 ULTIMATE HOLDING COMPANY

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 31 December 2012 (2011: 66.8%). In the opinion of the Directors, Profit International Holdings Limited is the ultimate holding company of the Company.

PROPOSED FINAL DIVIDEND

The Board proposes the payment of a final dividend of HK4.5 cents per share. Together with the interim dividend of HK3.0 cents per share paid in October 2012, the total dividends paid or payable for the year 2012 will be HK7.5 cents per share. All dividends are paid in cash from funds generated from the Group's operations. The Group will have sufficient funds for its future expansion after the payment of dividends.

The proposed final dividend of HK4.5 cents per share will be payable to shareholders whose names appear on the register of members of the Company on 7 June 2013. Subject to the passing of the relevant resolution at the forthcoming annual general meeting, the final dividend will be payable on or around 28 June 2013.

ISSUE OF BONUS SHARES

The Board proposes to make a bonus issue of one new share credited as fully paid for every ten shares held by the shareholders of the Company whose names appear on the register of members of the Company on 7 June 2013. The proposed bonus issue is subject to approval by the shareholders at the forthcoming annual general meeting, and if passed and upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in such new shares, share certificates of the bonus shares will be dispatched on 24 June 2013. For further details, please refer to the separate announcement of the Company relating to the bonus issue dated 27 March 2013.

ANNUAL GENERAL MEETING

The Annual General Meeting 2013 (the "AGM") of the Company will be held at Function Rooms Tian and Ti, 7/F., The Landmark Mandarin Oriental Hotel, 15 Queen's Road Central, The Landmark, Central, Hong Kong on 29 May 2013 at 2:00 p.m.. The notice of the AGM will be posted on the respective websites of the Company (http://www.irasia.com/listco/hk/alltronics/index.htm) and the Stock Exchange (http://www.hkexnews.hk) and dispatched to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 24 May 2013 to 29 May 2013 (both dates inclusive), during which period no share transfers will be effected. In order to qualify for attending and voting at the AGM, all share transfers 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 23 May 2013.

The register of members of the Company will be also closed from 5 June 2013 to 7 June 2013 (both dates inclusive), during which period no share transfers will be effected. In order to qualify for the proposed final dividend and bonus shares (subject to shareholders' approval at the AGM), all share transfers 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 4 June 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

Total turnover for the year had dropped slightly by 1.6% to HK$788.7 million, as compared to HK$801.7 million for the year 2011. The turnover analysis by category of products for the two years ended 31 December 2012 and 2011 respectively are as follows:

	2012	2011
	HK$'000	*HK$'000*
Revenue from sales of electronic products	**746,730**	785,081
Revenue from sales of biodiesel products	**41,756**	16,613
Revenue from energy saving business	**202**	–
	788,688	801,694

Sales of electronic products included the sales of finished electronic products; plastic moulds; plastic and other components for electronic products. The overall sales of electronic products had decreased by 4.9% as compared to last year. This is mainly due to the drop in sales revenue from customers in the United States, which had reduced from HK$430.8 million for the year 2011 to HK$394.8 million this year. In particular, the sales of the Group's major product, irrigation controllers, had decreased by 15.4% to HK$263.0 million (2011: HK$310.9 million). The drop in sales of irrigation controllers had been compensated by the increase in sales of other electronic products outside the United States. Total sales of components for electronic products, including transformers and adapters, had remained stable at HK$114.9 million, compared to HK$113.6 million for 2011. On the other hand, total sales of plastic moulds and plastic components had increased from HK$35.4 million in 2011 to HK$45.6 million in 2012.

The performance of the biodiesel products segment had improved continuously, with total turnover increased from HK$16.6 million in 2011 to HK$41.8 million in 2012. The increase was mainly due to the sales of B5 biodiesel to the Hong Kong Government during the year, as the Group has been granted a government contract for the supply of 3,533,000 litres of B5 biodiesel for delivery to various government departments over a period of 16 months commencing from January 2012. Sales of biodiesel products to other customers had remained stable.

The Group has diversified into energy saving business since January 2011. However, there was no revenue from the energy saving business in 2011 as the business was still in the development stage. During the year 2012, the Group had sold LED lighting products to customers in the PRC and generated revenue of HK$0.2 million. On 13 February 2012, the Group has entered into the Suning EMC Agreement with Suning Appliance, China Potevio and Beijing Dragon for the provision of energy saving solutions to at least 1,000 retail stores operated by Suning Appliance in the PRC, through the use of LED lighting equipment. Since the signing of the Suning EMC Agreement, the Group has commenced the installation of LED lighting equipment at Suning Appliance's retail stores. The Group initially expected that energy saving revenue pursuant to the Suning EMC Agreement would be generated from the fourth quarter of 2012. However, due to some delays in the development of the remote access control system to be installed at each retail store and changes in Suning Appliance's personnel in charge of this project, the progress of the installation work was slower than what was planned. As at 31 December 2012, the Group has completed the installation of LED lighting equipment at about 270 retail stores of Suning Appliance, of which about 25 retail stores had also been installed with the remote access control system. Suning Appliance is assessing and evaluating the performance and reliability of the LED lighting equipment and remote access control system installed. When the evaluation and inspection process is completed, the Group will commence receiving energy saving revenue from Suning Appliance in accordance with the terms of the Suning EMC Agreement.

In terms of geographical market, the United States continued to be the major market for the Group's products and accounted for approximately 50.1% of the total turnover for the year 2012 (2011: 53.7%). Sales to customers in Hong Kong had remained stable and accounted for 24.9% of total sales for the year 2012 (2011: 25.3%). Contribution to sales from customers in Europe had increased from 11.4% to 17.5% during the year; while the contribution to sales from customers in the PRC market had decreased from 7.4% to 4.9%. 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 reduced from 17.5% for the year 2011 to 15.9% for 2012. The drop in gross profit margin was mainly due to the increase in direct labour wages and other production overheads, as a result of the increase in wage level, appreciation of Renminbi and general inflation in the PRC during the year.

Operating expenses and other losses

During the year ended 31 December 2012, total administrative expenses had decreased from HK$76.9 million in 2011 to HK$76.3 million. During the year, staff costs (excluding share-based payment expenses) had increased by HK$5.4 million due to annual adjustments on salaries and wages. There were no share-based payment expenses for 2012. Share-based payment expenses of HK$8.3 million had been recognised in 2011 for share options granted. The net finance costs for the year had increased by HK$1.8 million due to increase in borrowings and increase in interest rates. There was a fair value gain on derivative financial instruments as at 31 December 2012, amounting to HK$8.9 million, compared to a fair value loss of HK$9.5 million in 2011.

Net profit attributable to owners of the Company

Although the turnover and gross profit for the year have decreased by HK$13.0 million and HK$15.0 million respectively, the net profit attributable to owners of the Company has increased by HK$4.8 million. This is mainly due to the fair value gain on derivative financial instruments of HK$8.9 million recognised during the year.

PRODUCTION FACILITIES

The Group currently has three production plants in the PRC for the manufacturing of electronic products and components, two of which are located in Shenzhen, and one in Yangxi. During the year 2012, the Group spent approximately HK$2.5 million to acquire plant and machinery, approximately HK$3.3 million to acquire motor vehicles and spent approximately HK$2.6 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 31 December 2012, the Group's total cash and cash equivalents, net of current bank overdrafts, amounted to HK$60.1 million. The net funds are sufficient to finance the Group's working capital and capital expenditure plans.

At 31 December 2012, total borrowings of the Group amounted to HK$133.5 million, comprising bank overdrafts of HK$17.9 million, bank loans of HK$79.5 million, bills payable and trust receipt loans of HK$32.2 million, obligations under finance leases of HK$2.5 million and a loan from a customer of HK$1.4 million, all of which are denominated in Hong Kong dollars. The average effective interest rates for each of these borrowings at 31 December 2012 ranged from 3.3% to 6.5% per annum.

The Group's trade receivable turnover, inventory turnover and trade payable turnover were approximately 53 days, 80 days and 56 days respectively for the year 2012. These turnover periods are consistent with the respective policies of the Group on credit terms granted to customers and obtained from suppliers.

As at 31 December 2012, the Group's current assets had increased by 7.9% to HK$372.0 million compared to HK$344.9 million as at 31 December 2011 and the Group's total current liabilities had increased by 18.4% to HK$242.4 million compared to HK$204.7 million as at 31 December 2011. The current ratio (current assets/current liabilities) as at 31 December 2012 was 1.53 times, which is at approximately the same level of 1.68 times as at 31 December 2011.

During the year, the Company had not repurchased any of its own shares on the Stock Exchange. There were no share options granted, exercised, lapsed or cancelled during the year ended 31 December 2012. As at 31 December 2012, 15,800,000 share options remained outstanding. There are no vesting periods for these share options. These share options are exercisable within a period of two years from 13 January 2011 to 12 January 2013, at an exercise price of HK$2.31 per share. These share options had not been exercised and were lapsed on 12 January 2013.

At 31 December 2012, the Company had in issue a total of 314,420,000 ordinary shares of HK$0.01 each.

CASH FLOWS

The net balance of cash, cash equivalents and bank overdrafts at 31 December 2012 was HK$60.1 million, which had increased by HK$6.7 million compared to the balance at 31 December 2011.

The net cash generated from operating activities for the year was HK$28.8 million. The net cash used in investing activities amounted to HK$34.5 million, which was mainly due to HK$25.0 million paid for prepayments for non-current assets; HK$10.1 million paid for the acquisition of property, plant and equipment; HK$0.7 million spent for purchase of financial assets at fair value through profit or loss and HK$1.4 million received from sale of financial assets at fair value through profit or loss.

On the other hand, there was a net cash inflow of HK$12.3 million from financing activities in 2012. During the year, new borrowings of HK$109.0 million were obtained and HK$70.5 million was used to repay bank borrowings and finance leases and HK$25.2 million was paid to shareholders as dividend.

PLEDGE OF ASSETS

At 31 December 2012, the Group had total bank borrowings (excluding obligations under finance leases) of HK$129.5 million, out of which HK$30.5 million were secured by short-term bank deposits of HK$5.5 million, available-for-sale financial assets of HK$2.9 million and trade receivables of HK$1.3 million. In addition, a bank deposit of HK$0.5 million was pledged to a bank as security for bank guarantee given to a third party.

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 consolidated statement of financial position) less trade related debts and cash and cash equivalents. Total capital is calculated as 'equity', as shown in the consolidated statement of financial position.

As at 31 December 2012, the gearing ratio was 10.2%. At 31 December 2011, the Group did not have a net debt position.

CONTINGENT LIABILITIES

At both 31 December 2012 and 31 December 2011, the Group did not have any material contingent liabilities.

EMPLOYEES

At 31 December 2012, the Group had 2,610 employees, of which 85 were employed in Hong Kong and 2,525 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, excluding directors' emoluments, incurred by the Group for 2012 amounted to HK$135.5 million.

The Company has also adopted a share option scheme on 22 June 2005. During the year, no share options had been granted, exercised, lapsed or cancelled. As at 31 December 2012, 15,800,000 share options had 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.

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 exchange contracts with major and reputable financial institutions to hedge its foreign exchange risk exposure. As at 31 December 2012, the notional amounts of outstanding forward foreign exchange contracts to buy Renminbi is approximately US$12.5 million (equivalent to approximately HK$97.5 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

The Group foresees that the global economic environment in 2013 will continue to be challenging. Factors such as fluctuation in crude oil and commodity prices; the risk of continuing appreciation of Renminbi against United States dollars and Hong Kong dollars; the upward adjustment on the minimum wage levels in China; the financial issues in the European Union and the United States; and the risk of global inflation will continue to be the critical elements affecting the performance of the Group's electronic products segment. In order to remain competitive in the market, the Group will continue its efforts to tighten controls over production costs and overheads, and to improve production efficiency so as to maximize the gross profit margin. Despite these factors, the Group has confidence that the performance of the electronic business segment will remain stable in 2013.

In terms of geographical market, the sales to United States customers accounted for over 50% of the total sales for 2012. The Group foresees that United States will still be the major market for its products in 2013. The Group will continue to devote efforts to explore new markets and new customers to broaden its customer base.

Regarding the biodiesel products segment, the existing government contract for the supply of B5 biodiesel will terminate by the end of April 2013. On 1 February 2013, the government tender for the renewal contract for supply of B5 biodiesel has been issued. The contract quantity for the renewal contract is 7,981,000 litres of B5 biodiesel for a period of 24 months, commencing from 1 May 2013. The Group has submitted its tender documents on 14 March 2013 and has strong confidence that it will secure the renewal contract and will continue the supply of B5 biodiesel to the Hong Kong Government. The general public in Hong Kong is becoming more and more conscious about environment protection and good air quality. The Group foresees that the demand for green fuel in Hong Kong will increase at a fast pace in the future.

In 2013, the Group will continue the installation work at the retail stores of Suning Appliance. The Group will also continue its negotiation with HNA Hotel Group Limited for the provision of energy saving solutions to hotels managed by HNA Hotel Group Limited. The negotiations with some of these hotels are close to completion and the Group will enter into energy management contracts with HNA Hotel Group Limited in 2013. The Group has confidence that it will recognise revenue from energy saving business in 2013.

Energy saving products such as LED lighting equipment can provide an 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.

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. The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Code on Corporate Governance Practices (the "Former CG Code") which was subsequently revised as the Corporate Governance Code (the "Revised CG Code") contained in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange and came into full effect on 1 April 2012.

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 year and up to the date of this announcement, in compliance with the Code Provisions of the Former CG Code for the period from 1 January 2012 to 31 March 2012 and of the Revised CG Code for the period from 1 April 2012 to 31 December 2012, 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 maximize 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 for Securities Transactions by Directors of Listed Issuers (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 year ended 31 December 2012.

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 Ms. Yeung Chi Ying (Chairman), Mr. Yau Ming Kim, Robert and Mr. Leung Kam Wah.

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2012 at a meeting held on 27 March 2013, which is of the opinion that the consolidated financial statements complied with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

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 Ms. Yeung Chi Ying 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, Ms. Yeung Chi Ying, Mr. Yau Ming Kim, Robert and Mr. Leung Kam Wah.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS AND SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2012 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its shares during the year ended 31 December 2012. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

PUBLICATION OF FINAL RESULTS AND DISPATCH OF ANNUAL REPORT

This announcement is 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 2012 containing the information required by Appendix 16 of the Listing Rules will be dispatched to shareholders and published on the websites of the Company and the Stock Exchange in due course.

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

Hong Kong, 27 March 2013

As at the date of this announcement, 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
Ms. Yeung Chi Ying, Mr. Yau Ming Kim, Robert and Mr. Leung Kam Wah