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 2013

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 2013, 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 2012 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2013

	Note	**2013** ***HK\$'000***	2012 *HK\$'000*
Revenue	*5*	**775,882**	788,688
Cost of sales	*6*	**(634,460)**	(663,643)
Gross profit		**141,422**	125,045
Other income	*5*	**44**	4
Distribution costs	*6*	**(6,055)**	(5,242)
Administrative expenses	*6*	**(78,632)**	(76,256)
Other gains – net	*7*	**2,911**	11,294
Operating profit		**59,690**	54,845
Finance income	*8*	**238**	166
Finance costs	*8*	**(5,298)**	(6,183)
Profit before income tax		**54,630**	48,828
Income tax expense	*9*	**(12,964)**	(11,542)
Profit for the year		**41,666**	37,286

	Note	2013 HK$'000	2012 HK$'000
Attributable to:			
Owners of the Company		**45,632**	38,262
Non-controlling interests		**(3,966)**	(976)
		41,666	37,286
		HK cents	*HK cents* (Restated)
Earnings per share for profit attributable to owners of the Company			
– basic	*10*	**13.19**	11.06
– diluted	*10*	**13.19**	11.06
		HK$'000	*HK$'000*
Dividends	*11*	**44,962**	23,582

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	2013 HK$'000	2012 HK$'000
Profit for the year	**41,666**	37,286
Other comprehensive income		
Items that may be reclassified to profit or loss		
Fair value (loss)/gain on available-for-sale financial assets	**(22)**	30
Currency translation differences	**7,178**	–
Total other comprehensive income for the year	**7,156**	30
Total comprehensive income for the year	**48,822**	37,316
Total comprehensive income attributable to:		
Owners of the Company	**52,662**	38,277
Non-controlling interests	**(3,840)**	(961)
	48,822	37,316

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Note	2013 HK$'000	2012 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**44,034**	48,552
Leasehold land and land use rights		**1,820**	1,871
Intangible assets		**19,931**	20,452
Available-for-sale financial assets		**2,834**	2,856
Prepayments for non-current assets		**24,894**	25,560
Finance lease receivable	*12*	**1,011**	–
Deferred income tax assets		**888**	753
Total non-current assets		**95,412**	100,044
Current assets			
Inventories		**207,786**	145,776
Finance lease receivable	*12*	**600**	–
Trade receivables	*13*	**118,748**	114,806
Prepayments and deposits		**26,725**	22,168
Amount due from a related company		**45**	107
Amount due from the ultimate holding company		**34**	34
Amounts due from non-controlling shareholders of a subsidiary		**624**	834
Financial assets at fair value through profit or loss		**665**	1,535
Derivative financial instruments		**398**	1,007
Pledged bank deposits		**7,633**	5,969
Tax recoverable		**15**	1,738
Cash and cash equivalents (excluding bank overdrafts)		**95,205**	78,046
Total current assets		**458,478**	372,020
Total assets		**553,890**	472,064

	Note	2013 HK$'000	2012 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**3,459**	3,144
Reserves			
Proposed final dividend		**27,669**	14,149
Others		**226,738**	219,353
		257,866	236,646
Non-controlling interests		**(13,235)**	(9,395)
Total equity		**244,631**	227,251
LIABILITIES			
Non-current liabilities			
Borrowings		**1,427**	1,010
Deferred income tax liabilities		**1,591**	1,411
Total non-current liabilities		**3,018**	2,421
Current liabilities			
Trade payables	*14*	**110,811**	78,091
Accruals and other payables		**45,963**	27,767
Amounts due to non-controlling shareholders of a subsidiary		**37**	26
Current income tax liabilities		**6,681**	2,679
Borrowings		**142,749**	132,482
Derivative financial instruments		**–**	1,347
Total current liabilities		**306,241**	242,392
Total liabilities		**309,259**	244,813
Total equity and liabilities		**553,890**	472,064
Net current assets		**152,237**	129,628
Total assets less current liabilities		**247,649**	229,672

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 26 March 2014.

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 applied are consistent with those of the annual financial statements for the year ended 31 December 2012, as described in those annual financial statements.

New and amended standards

The following new standards, amendment to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2013:

HKAS 1 (Amendment)	Presentation of financial statements
HKAS 19 (Amendment)	Employee benefits
HKAS 27 (revised 2011)	Separate financial statements
HKAS 28 (revised 2011)	Investments in associates and joint ventures
HK (IFRIC) – Int 20	Stripping costs in the production phase of a surface mine
HKFRS 1 (Amendment)	First time adoption of HKFRS – Government loans
HKFRS 7 (Amendment)	Financial instruments: Disclosure – Offsetting financial assets and financial liabilities
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurements

The adoption of these new standards and amendments to existing standards does not have significant impact on the Group's results and financial position nor any substantial changes in Group accounting policies and presentation of the financial statements except for the disclosures as required by HKAS 1 Amended "Presentation of financial statements" and the classifications of joint arrangement as required by HKFRS 11 "Joint Arrangements".

The following new standards, amendments to standards and interpretations have been issued but not yet effective for the financial year beginning 1 January 2013 and have not been early adopted:

HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contributions
HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Recoverable amount disclosures for non-financial assets
HKAS 39 (Amendment)	Novation of derivatives and continuation of hedge accounting
HK (IFRIC) – Int 21	Levies
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory effective date of HKFRS 9 and transition disclosures
HKFRS 9 (Amendment)	Financial instruments
HKFRS 9	Financial instruments – financial liabilities
HKFRS 10, HKFRS 12 and HKAS 27 (Amendment)	Consolidation of investment entities
HKFRSs (Amendment)	Annual improvements 2011 to 2013

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 2013, 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 2012 or in any risk management policies.

4.2 Liquidity risk

Compared to 31 December 2012, 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 2013.

	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets				
Financial assets at fair value through profit or loss				
– Equity securities	**665**	**–**	**–**	**665**
Available-for-sale financial assets				
– Unlisted capital guaranteed funds	**–**	**–**	**2,834**	**2,834**
Derivative financial instruments	**–**	**–**	**398**	**398**
Total assets	**665**	**–**	**3,232**	**3,897**
Liabilities				
Derivative financial instruments	**–**	**–**	**–**	**–**
Total liabilities	**–**	**–**	**–**	**–**

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

(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 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 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.

The following table presents the changes in level 3 instruments for the year ended 31 December 2013.

	Available-for-sale financial assets and derivative financial instruments – net *HK$'000*
Opening balance	**2,516**
Fair value loss recognised in equity	**(22)**
Fair value gain recognised in consolidated income statement	**738**
Closing balance	**3,232**
Total gain for the year included in profit or loss for assets held at the end of the reporting period	**738**

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

In 2013, 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.

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. In 2013, there were no reclassifications of financial assets nor transfers between levels during the year.

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 Commerce Group Co., Ltd. ("Suning", formerly known as Suning Appliance Co., Ltd.), China Potevio Company Limited ("China Potevio") and Potevio International Trade Company Limited (“普天國際貿易有限公司”) (formerly known as Beijing Dragon Oriental Company Limited (“北京巨龍東方國際信息技術有限責任公司”)), 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 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 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.

For the years ended 31 December 2013 and 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 2013				
Total segment revenue and revenue from external customers for:				
– sales of goods	**751,705**	**21,622**	**2,462**	**775,789**
– revenue from services	**–**	**–**	**93**	**93**
Total revenue	**751,705**	**21,622**	**2,555**	**775,882**
Operating profit/(loss) before interest and tax	**73,213**	**(4,225)**	**(6,088)**	**62,900**
Finance income	**230**	**–**	**8**	**238**
Finance costs	**(4,021)**	**(896)**	**(381)**	**(5,298)**
Income tax expense	**(12,964)**	**–**	**–**	**(12,964)**
	56,458	**(5,121)**	**(6,461)**	**44,876**
Unallocated operating costs				**(3,210)**
Profit for the year				**41,666**
Other information:				
Depreciation and amortisation	**(13,544)**	**(873)**	**(1,017)**	**(15,434)**
Fair value gain on derivative financial instruments – net	**738**	**–**	**–**	**738**

	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 for sales of goods	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

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:

	2013	2012
	HK$'000	*HK$'000*
The United States	**428,308**	394,816
Hong Kong	**120,811**	196,413
Europe	**176,234**	138,235
The PRC	**33,320**	38,488
Other countries	**17,209**	20,736
	775,882	788,688

For the year ended 31 December 2013, revenues of approximately HK$311,157,000 (2012: HK$263,043,000) were derived from a single external customer. These revenues were attributable to the electronic products segment.

	Electronic products	**Biodiesel products**	**Energy saving business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
As at 31 December 2013				
Total segment assets	**465,617**	**15,991**	**71,545**	**553,153**
Unallocated:				
Cash and cash equivalents				**674**
Prepayments and deposits				**48**
Tax recoverable				**15**
Total assets per consolidated statement of financial position				**553,890**
Total segment liabilities	**285,657**	**6,945**	**15,902**	**308,504**
Unallocated:				
Accruals and other payables				**755**
Total liabilities per consolidated statement of financial position				**309,259**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**7,866**	**1,004**	**1,133**	**10,003**

	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 and deposits				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

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:

	2013	2012
	HK$'000	*HK$'000*
Hong Kong	**55,673**	57,582
The PRC	**39,739**	42,462
	95,412	100,044

Analysis of revenue by category:

Sale of goods	**775,789**	788,688
Revenue from services	**93**	–
Total revenue and turnover	**775,882**	788,688

Other income		
Dividend income from available-for-sale financial assets and financial assets at fair value through profit or loss	**44**	4

6 EXPENSES BY NATURE

	2013	2012
	HK$'000	*HK$'000*
Amortisation of leasehold land and land use rights	**51**	50
Auditor's remuneration	**1,756**	1,559
Cost of inventories sold	**432,200**	489,066
Depreciation		
– Owned property, plant and equipment	**13,355**	13,412
– Leased property, plant and equipment	**841**	1,681
Amortisation of intangible assets on customers relationships	**521**	–
Amortisation of non-current prepayments	**666**	–
Employee benefit expense – excluding Directors' emoluments	**156,336**	135,544
Employee benefit expense – Directors' emoluments	**11,209**	10,069
Reversal of provision for slow moving and obsolete inventories	**–**	(2,155)
Provision for impairment of receivables	**–**	65
Impaired trade receivables written off	**501**	183
Operating leases on rented premises	**16,576**	14,104
Other expenses	**85,135**	81,563
Total of cost of sales, distribution costs and administrative expenses	**719,147**	745,141

7 OTHER GAINS – NET

	2013	2012
	HK$'000	*HK$'000*
Realised (loss)/gain on financial assets at fair value through profit or loss – net	**(167)**	209
Fair value loss on financial assets at fair value through profit or loss – net	**(634)**	(105)
Fair value gain on derivative financial instruments – net	**738**	8,949
Realised gain on derivative financial instruments	**5,704**	4,675
Net foreign exchange losses	**(3,589)**	(3,549)
Loss on disposals of property, plant and equipment	**(17)**	(5)
Surplus of insurance compensation received over fire losses – net (Note(i))	**23**	–
Others	**853**	1,120
	2,911	11,294

Note (i): The surplus from fire accident included the inventories loss, impairment of property, plant and equipment and restoration cost, net of insurance compensation received.

8 FINANCE INCOME AND COSTS

	2013	2012
	HK$'000	*HK$'000*
Interests on bank loans, trust receipt loans and bank overdrafts wholly repayable within five years	**5,140**	5,874
Interest on loan from a customer	**98**	126
Interest element of finance leases	**60**	183
Total finance costs	**5,298**	6,183
Less: Interest income from bank deposits	**(232)**	(166)
Finance lease interest income	**(6)**	–
Finance costs – net	**5,060**	6,017

For the years ended 31 December 2013 and 2012, the interest on bank borrowings which contain a repayment on demand clause amounted to HK$5,140,000 and HK$5,874,000 respectively.

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 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.

	2013	2012
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**9,173**	6,490
– PRC enterprise income tax (Note a)	**3,584**	4,762
Underprovision in prior years	**162**	108
Deferred taxation charge	**45**	182
Income tax expense	**12,964**	11,542

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 2013, the Company has eight subsidiaries operating in the PRC. During the year ended 31 December 2013, these subsidiaries were subject to an income tax rate of 25% (2012: 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.

	2013	2012 (Restated)
Profit attributable to owners of the Company (HK$'000)	**45,632**	38,262
Weighted average number of ordinary shares in issue (thousand) *(Note (a)(i))*	**345,862**	345,862
Basic earnings per share (HK cents per share)	**13.19**	11.06

Note (a)(i): The weighted average number of ordinary shares in issue is adjusted to reflect the effect of bonus issue of 31,442,000 shares by the Company on the basis of one new bonus share for every ten shares held by the shareholders on 7 June 2013 and were allotted on 24 June 2013. 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 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 year ended 31 December 2013, 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.

	2013	2012 (Restated)
Profit attributable to owners of the Company (HK$'000)	**45,632**	38,262
Weighted average number of ordinary shares in issue (thousand) *(Note (a)(i))*	**345,862**	345,862
Diluted earnings per share (HK cents per share)	**13.19**	11.06

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

11 DIVIDENDS

	2013 HK$'000	2012 HK$'000
Interim dividend, paid, of HK5.0 cents (2012: HK3.0 cents) per ordinary share	**17,293**	9,433
Proposed final dividend of HK8.0 cents (2012: HK4.5 cents) per ordinary share	**27,669**	14,149
	44,962	23,582

The Board recommends the payment of a final dividend of HK8.0 cents per ordinary share, totalling HK$27,669,000. Such dividend is to be approved by the shareholders at the Annual General Meeting of the Company to be held on 29 May 2014. These consolidated financial statements do not reflect this proposed dividend as dividend payable but account for it as proposed dividend from the reserves.

12 FINANCE LEASE RECEIVABLE

	2013 HK$'000	2012 HK$'000
Non-current finance lease receivable:		
Gross receivable	**1,333**	–
Less: unearned income	**(322)**	–
	1,011	–
Current finance lease receivable:		
Gross receivable	**667**	–
Less: unearned income	**(67)**	–
	600	–
Gross receivable from finance lease:		
– No later than 1 year	**667**	–
– Later than 1 year and no later than 5 years	**1,333**	–
– Later than 5 years	**–**	–
	2,000	–
Unearned future finance income on finance leases	**(389)**	–
Net investment in finance lease	**1,611**	–
The net investment in finance lease may be analysed as follows:		
– No later than 1 year	**600**	–
– Later than 1 year and no later than 5 years	**1,011**	–
– Later than 5 years	**–**	–
	1,611	–

13 TRADE RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**118,748**	115,196
Less: provision for impairment of receivables	**–**	(390)
	118,748	114,806

As at 31 December 2013 and 2012, 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 120 days, except for certain credit worthy customers to whom a longer credit period is allowed. The ageing analysis of trade receivables is as follows:

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**66,363**	70,727
31 – 60 days	**33,065**	24,987
61 – 90 days	**15,633**	13,246
91 – 120 days	**1,768**	4,597
121 – 365 days	**1,808**	1,609
Over 365 days	**111**	30
	118,748	115,196

14 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	2013	2012
	HK$'000	HK$'000
0 – 30 days	**57,473**	41,245
31 – 60 days	**39,887**	28,833
61 – 90 days	**7,605**	5,303
91 – 120 days	**1,719**	1,489
121 – 365 days	**3,717**	949
Over 365 days	**410**	272
	110,811	78,901

As at 31 December 2013 and 2012, the fair values of trade payables approximated their carrying amounts.

15 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 2013 (2012: 66.8%). In the opinion of the Directors, Profit International Holdings Limited is the ultimate holding company of the Company.

PROPOSED FINAL DIVIDEND

In appreciation of the continuing support from our shareholders, the Board proposes the payment of a final dividend of HK8.0 cents per share. Together with the interim dividend of HK5.0 cents per share paid in October 2013, the total dividends paid or payable for the year 2013 will be HK13.0 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 HK8.0 cents per share will be payable to shareholders whose names appear on the register of members of the Company on 9 June 2014. Subject to the passing of the relevant resolution at the forthcoming annual general meeting, the final dividend will be payable on or around 26 June 2014.

ANNUAL GENERAL MEETING

The Annual General Meeting 2014 (the "AGM") of the Company will be held at Park Lane Room VIII, 28th Floor, The Park Lane Hong Kong, 310 Gloucester Road, Hong Kong on 29 May 2014 at 3:00 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 26 May 2014 to 29 May 2014 (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 (the address will be changed to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) for registration no later than 4:30 p.m. on 23 May 2014.

The register of members of the Company will be also closed from 6 June 2014 to 9 June 2014 (both dates inclusive), during which period no share transfers will be effected. In order to qualify for the proposed final dividend (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 (the address will be changed to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) for registration no later than 4:30 p.m. on 5 June 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

Total turnover for the year had dropped slightly by 1.6% to HK$775.9 million, as compared to HK$788.7 million for the year 2012. The turnover analysis by business segment for the two years ended 31 December 2013 and 2012 respectively are as follows:

	2013	2012
	HK$'000	*HK$'000*
Revenue from sales of electronic products	**751,705**	746,730
Revenue from sales of biodiesel products	**21,622**	41,756
Revenue from energy saving business	**2,555**	202
	775,882	788,688

Sales of electronic products comprise sales of finished electronic products; plastic moulds; plastic and other components for electronic products. The demand for the Group's finished electronic products was stable and the total sales of finished electronic products for 2013 were HK$587.5 million, as compared to HK$586.2 million for 2012. The demand for the Group's major product, irrigation controllers, had remained strong during the year. On the other hand, sales of certain low margin electronic products to customers in Hong Kong had reduced. Total sales of components for electronic products, including transformers and adapters, had increased slightly to HK$119.6 million, compared to HK$114.9 million for 2012. Total sales of plastic moulds and plastic components had decreased from HK$45.6 million in 2012 to HK$44.6 million in 2013.

Due to the expiry of the government contract for the supply of B5 biodiesel on 30 April 2013, the sales of biodiesel products had dropped from HK$41.8 million in 2012 to HK$21.6 million in 2013. However, the sales of biodiesel products to other customers had remained stable.

Regarding the energy saving business segment, the Group has extended its energy saving business to Hong Kong customers, and has sold LED lighting equipment to two well-known Chinese restaurants in Hong Kong. Total revenue received from energy saving business segment during the year was HK$2.6 million. The LED lighting equipment project (the "Suning EMC Project") with Suning Commerce Group Co., Ltd. ("Suning") was continued during the year. As of 31 December 2013, 20 Suning retail stores at Nanjing had completed the inspection procedures and generating energy saving revenue. Management expects that approximately another 180 retail stores of Suning will complete the inspection procedures during the first half of 2014. The Group will continue the installation work at other Suning retail stores in the second half of 2014. On 21 October 2013, the Group has entered into an energy management agreement with a hotel at Tianjin operated by HNA Group Co., Limited. The LED lighting equipment installation work and the inspection procedures had completed in February 2014, and energy saving revenue will be generated from the second quarter of 2014.

In terms of geographical market, the United States continued to be the major market for the Group's products and accounted for approximately 55.2% of the total turnover for the year 2013 (2012: 50.1%). Sales to customers in Europe had increased by HK$38.0 million while sales to customers in Hong Kong had dropped by HK$75.6 million. The sales to customers in the PRC market had also dropped by HK$5.2 million. 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 increased from 15.9% for the year 2012 to 18.2% for 2013. The improvement in overall gross profit margin was mainly due to the continued efforts of the Group to tighten controls over production costs and overheads, and to improve production efficiency so as to maximize the gross profit margin. The drop in sales of certain low margin electronic products to customers in Hong Kong had also led to an increase in overall gross profit margin. Although direct wages had increased due to the increase in minimum wages level during the year, other production overheads had remained stable during the year.

Operating expenses and other gains/losses

During the year ended 31 December 2013, total administrative expenses had increased slightly from HK$76.3 million in 2012 to HK$78.6 million. The total finance costs for the year had decreased slightly by HK$0.9 million. Other gains had dropped by HK$8.4 million as there was a fair value gain on derivative financial instruments as at 31 December 2012 amounting to HK$8.9 million, compared to a gain of HK$0.7 million in 2013.

On 16 May 2013, there was a fire accident (the "Fire Accident") at one of the warehouses (the "Warehouse") of the Group's factory premises in the PRC. The Warehouse is used for the storage of raw materials and finished goods of electronic products. The production facilities at the relevant factory premises have not been affected by the Fire Accident and production was resumed on 18 May 2013. The event was immediately reported to the insurance company and the insurance compensation had been received in December 2013. Although certain of the Group's inventories and property, plant and equipment were destroyed or damaged at the Fire Accident, such losses had been adequately covered by the insurance compensation received. The Fire Accident did not have any significant impact on the operations, financial position and cash flows of the Group as a whole.

Net profit attributable to owners of the Company

Despite the drop in turnover for the year, the improvement in overall gross profit margin had led to an increase in net profit attributable to owners of the Company by HK$7.4 million.

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 2013, the Group spent approximately HK$4.1 million to acquire plant and machinery, approximately HK$1.0 million to acquire motor vehicles and spent approximately HK$2.1 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 2013, the Group's total cash and cash equivalents, net of current bank overdrafts, amounted to HK$72.6 million. The net funds are sufficient to finance the Group's working capital and capital expenditure plans.

At 31 December 2013, total borrowings of the Group amounted to HK$144.2 million, comprising bank overdrafts of HK$22.6 million, bank loans of HK$68.4 million, bills payable and trust receipt loans of HK$50.7 million, obligations under finance leases of HK$2.1 million and a loan from a customer of HK$0.4 million, all of which are denominated in Hong Kong dollars. The average effective interest rates for each of these borrowings at 31 December 2013 ranged from 3.2% to 6.5% per annum.

The Group's trade receivable turnover, inventory turnover and trade payable turnover were approximately 55 days, 102 days and 68 days respectively for the year 2013. 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 2013, the Group's total current assets had increased by 23.2% to HK$458.5 million compared to HK$372.0 million as at 31 December 2012 and the Group's total current liabilities had increased by 26.3% to HK$306.2 million compared to HK$242.4 million as at 31 December 2012. The current ratio (current assets/current liabilities) as at 31 December 2013 was 1.50 times, which is at approximately the same level of 1.53 times as at 31 December 2012.

During the year, the Company had not repurchased any of its own shares on the Stock Exchange. On 12 January 2013, a total of 15,800,000 share options had lapsed. There were no other share options granted, exercised, lapsed or cancelled during the year ended 31 December 2013. As at 31 December 2013, there were no share options remained outstanding.

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 29 May 2013, the Company has allotted and issued 31,442,000 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 7 June 2013. During the year, the Company had not issued any other new shares. At 31 December 2013, the Company had in issue a total of 345,862,000 ordinary shares of HK$0.01 each.

CASH FLOWS

The net balance of cash, cash equivalents and bank overdrafts at 31 December 2013 was HK$72.6 million, which had increased by HK$12.5 million compared to the balance at 31 December 2012.

The net cash generated from operating activities for the year was HK$67.0 million. The net cash used in investing activities amounted to HK$6.0 million, which was mainly due to HK$6.3 million paid for the acquisition of property, plant and equipment; HK$1.2 million spent for purchase of financial assets at fair value through profit or loss and HK$1.2 million received from sale of financial assets at fair value through profit or loss.

On the other hand, there was a net cash outflow of HK$49.3 million from financing activities in 2013. During the year, new borrowings of HK$47.5 million were obtained and HK$62.7 million was used to repay bank borrowings and finance leases and HK$31.4 million was paid to shareholders as dividend.

CAPITAL EXPENDITURE

During the year, the Group acquired property, plant and equipment at a total cost of HK$9.0 million, mainly financed by internal resources of the Group.

PLEDGE OF ASSETS

At 31 December 2013, the Group had total bank borrowings (excluding obligations under finance leases) of HK$141.7 million, out of which HK$41.3 million were secured by short-term bank deposits of HK$7.6 million, available-for-sale financial assets of HK$2.8 million and trade receivables of HK$0.3 million.

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 2013, the Group did not have a net debt position (2012: a gearing ratio of 10.2%).

CONTINGENT LIABILITIES

At both 31 December 2013 and 31 December 2012, the Group did not have any material contingent liabilities.

EMPLOYEES

At 31 December 2013, the Group had 2,613 employees, of which 83 were employed in Hong Kong and 2,530 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 2013 amounted to HK$156.3 million.

The Company has also adopted a share option scheme on 22 June 2005. On 12 January 2013, 15,800,000 share options had lapsed. During the year, no other share options had been granted, exercised, lapsed or cancelled. As at 31 December 2013, 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.

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 2013, the notional amount of outstanding forward foreign exchange contract to buy Renminbi is approximately US$1.5 million (equivalent to approximately HK$11.7 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 2014 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 China; 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 maximize the gross profit margin. On the other hand, the negotiations with certain potential customers were in the final stages and product samples had been sent to customers for evaluation and approval. Orders from these potential customers are expected in the second half of 2014. The Group has confidence that the performance of the electronic business segment will remain stable in 2014.

In terms of geographical market, the sales to United States customers accounted for over 50% of the total sales for 2013. The Group foresees that United States will still be the major market for its products in 2014. 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 demand from existing customers remains stable. The Group will continue to exploring new customers for its biodiesel products, so as to help to improve air quality and to make Hong Kong a cleaner place to live. During the second half of 2013, the Group has been developing a new business on energy efficient gas stoves and has approached various potential customers in Hong Kong to promote the use of these gas stoves. Users of these gas stoves can save at least 40% gas consumption. Most of the potential customers that the Group has approached had keen interests in using these gas stoves. The Group will allocate more resources to develop this new business and expects to generate revenue from it in 2014.

Regarding the Suning EMC Project, the Group expects to complete the inspection procedures at approximately 180 retail stores of Suning during the first half of 2014 and will continue the installation work at other retail stores of Suning covered by the Suning EMC Agreement in the second half of 2014. The Group will also continue its negotiation with HNA Group Co., Limited for the provision of energy saving solutions to other hotels managed by HNA Group Co., Limited.

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.

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 year and up to the date of this announcement, in compliance with the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 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 2013.

CHANGES IN DIRECTORS

Ms. Yeung Chi Ying has resigned as an independent non-executive director, a member and the chairman of the audit committee and the remuneration committee, and a member of the nomination committee of the Company with effect from 21 June 2013.

Mr. Pang Kwong Wah was appointed as an independent non-executive director, a member and the chairman of the audit committee and the remuneration committee, and a member of the nomination committee of the Company with effect from 21 June 2013.

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 Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2013 at a meeting held on 26 March 2014, 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 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.

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 2013 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 2013. 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 2013 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, 26 March 2014

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