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 2014

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 2014, 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 2013 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2014

	Note	**2014** **HK$'000**	2013 HK$'000
Revenue	5	**957,451**	775,882
Cost of sales	6	**(790,063)**	(634,460)
Gross profit		**167,388**	141,422
Other income	5	**–**	44
Distribution costs	6	**(8,389)**	(6,055)
Administrative expenses	6	**(82,242)**	(78,632)
Other (losses)/gains – net	7	**(9,508)**	2,911
Operating profit		**67,249**	59,690
Finance income	8	**261**	238
Finance costs	8	**(5,783)**	(5,298)
Profit before income tax		**61,727**	54,630
Income tax expense	9	**(14,881)**	(12,964)
Profit for the year		**46,846**	41,666

	Note	2014 HK$'000	2013 HK$'000
Attributable to:			
Owners of the Company		**45,232**	45,632
Non-controlling interests		**1,614**	(3,966)
		46,846	41,666
Earnings per share for profit attributable to owners of the Company (expressed in HK cents per share)			
– basic	*10*	**13.08**	13.19
– diluted	*10*	**13.08**	13.19
Dividends	*11*	**44,962**	44,962

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 HK$'000	2013 HK$'000
Profit for the year	**46,846**	41,666
Other comprehensive income		
Items that may be reclassified to profit or loss		
Fair value loss on available-for-sale financial assets	**–**	(22)
Currency translation differences	**(1,153)**	7,178
Total other comprehensive income for the year	**(1,153)**	7,156
Total comprehensive income for the year	**45,693**	48,822
Total comprehensive income for the year attributable to:		
Owners of the Company	**44,260**	52,662
Non-controlling interests	**1,433**	(3,840)
	45,693	48,822

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	**2014** *HK$'000*	2013 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**38,816**	44,034
Leasehold land and land use rights		**1,770**	1,820
Intangible assets		**19,931**	19,931
Interest in an associate		**6,282**	–
Available-for-sale financial assets		**–**	2,834
Prepayments		**31,686**	24,894
Finance lease receivable	*12*	**19,631**	1,011
Deferred income tax assets		**1,873**	888
Total non-current assets		**119,989**	95,412
Current assets			
Inventories		**174,494**	207,786
Finance lease receivable	*12*	**8,234**	600
Trade receivables	*13*	**135,222**	118,748
Prepayments and deposits		**42,005**	26,725
Amount due from a related company		**–**	45
Amount due from the ultimate holding company		**–**	34
Amounts due from non-controlling shareholders of a subsidiary		**535**	624
Financial assets at fair value through profit or loss		**434**	665
Derivative financial instruments		**–**	398
Pledged bank deposits		**10,507**	7,633
Tax recoverable		**316**	15
Cash and cash equivalents (excluding bank overdrafts)		**64,371**	95,205
Total current assets		**436,118**	458,478
Total assets		**556,107**	553,890

	Note	2014 HK$'000	2013 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**3,459**	3,459
Reserves			
Proposed final dividend		**27,669**	27,669
Others		**225,768**	226,738
		256,896	257,866
Non-controlling interests		**(11,802)**	(13,235)
Total equity		**245,094**	244,631
LIABILITIES			
Non-current liabilities			
Borrowings		**831**	1,427
Deferred revenue		**4,396**	–
Deferred income tax liabilities		**1,347**	1,591
Total non-current liabilities		**6,574**	3,018
Current liabilities			
Trade payables	*14*	**107,804**	110,811
Accruals and other payables		**42,301**	45,963
Deferred revenue		**1,433**	–
Amounts due to non-controlling shareholders of a subsidiary		**37**	37
Current income tax liabilities		**4,068**	6,681
Borrowings		**136,933**	142,749
Derivative financial instruments		**11,863**	–
Total current liabilities		**304,439**	306,241
Total liabilities		**311,013**	309,259
Total equity and liabilities		**556,107**	553,890
Net current assets		**131,679**	152,237
Total assets less current liabilities		**251,668**	247,649

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 Directors on 30 March 2015.

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, which are carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of the Predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of consolidated 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

(a) The following new and amended standards and interpretation are mandatory for the first time for the financial year beginning 1 January 2014, but do not have significant financial impact to the Company

HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Impairment of Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and measurement – Novation of Derivatives
HKFRS 10, 12 and HKAS 27 (2011) (Amendment)	Consolidation for Investment Entities
HK(IFRIC) – Int 21	Levies

(b) The following new and amended standards have been issued, but are not effective for the financial year beginning 1 January 2014 and have not been early adopted

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Disclosure Initiative	1 January 2016
HKAS 19 (Amendment)	Defined Benefit Plans	1 July 2014
HKAS 16 and HKAS 38 (Amendment)	Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants	1 January 2016
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements	1 January 2016
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10, HKFRS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception	1 January 2016
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKFRSs (Amendment)	Annual Improvements 2010-2012, 2011-2013 Cycles	1 July 2014
HKFRSs (Amendment)	Annual Improvements 2012-2014 Cycles	1 January 2016

The Company is in the process of making an assessment of the impact of these new standards and amendments to standards and is not yet in a position to state whether they will have a significant impact on the Company's results of operations and financial position.

(c) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

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 2013 or in any risk management policies.

4.2 Liquidity risk

Compared to 31 December 2013, 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 2014.

	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	**434**	**–**	**–**	**434**
Total assets	**434**	**–**	**–**	**434**
Liabilities				
Derivative financial instruments	**–**	**–**	**11,863**	**11,863**
Total liabilities	**–**	**–**	**11,863**	**11,863**

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 fair value of available-for-sale financial assets that are not traded in an active market is determined with reference to indicative 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 values of derivative financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date.

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

The following table presents the changes in level 3 instruments for the year ended 31 December 2014.

	Available-for-sale financial assets and derivative financial instruments – net ***HK$'000***
Opening balance	**3,232**
Disposals during the year	**(2,834)**
Fair value loss recognised in consolidated income statement	**(12,261)**
Closing balance	**(11,863)**
Total losses for the year included in consolidated income statement under "other (losses)/gains – net"	**(12,261)**

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 gains for the year included in consolidated income statement under "other (losses)/gains – net"	738

In 2014, 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 2014, there were no reclassifications of financial assets nor transfer 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.

For the year ended 31 December 2014 and 2013, 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/loss (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 2014				
Total segment revenue and revenue from external customers for:				
– sales of goods	**922,594**	**13,047**	**21,263**	**956,904**
– revenue from services	**–**	**–**	**547**	**547**
Total revenue	**922,594**	**13,047**	**21,810**	**957,451**
Operating profit/(loss) before interest and tax	**79,367**	**(4,351)**	**(4,081)**	**70,935**
Finance income	**182**	**–**	**79**	**261**
Finance costs	**(4,823)**	**(394)**	**(566)**	**(5,783)**
Income tax expense	**(14,881)**	**–**	**–**	**(14,881)**
	59,845	**(4,745)**	**(4,568)**	**50,532**
Unallocated operating costs				**(3,686)**
Profit for the year				**46,846**
Other information:				
Depreciation and amortisation	**(11,717)**	**(476)**	**(772)**	**(12,965)**
Fair value loss on derivative financial instruments – net	**(12,261)**	**–**	**–**	**(12,261)**

	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

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:

	2014	2013
	HK$'000	*HK$'000*
The United States	**509,268**	428,308
Hong Kong	**175,385**	120,811
Europe	**179,507**	176,234
The PRC	**54,944**	33,320
Other countries	**38,347**	17,209
	957,451	775,882

For the year ended 31 December 2014, revenues of approximately HK$370,417,000 (2013: HK$311,157,000) 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 2014				
Total segment assets	**455,517**	**13,236**	**87,105**	**555,858**
Unallocated:				
Cash and cash equivalents				**125**
Prepayments, deposits and other receivables				**48**
Tax recoverable				**76**
Total assets per consolidated statement of financial position				**556,107**
Total segment liabilities	**283,974**	**928**	**24,891**	**309,793**
Unallocated:				
Accruals and other payables				**1,220**
Total liabilities per consolidated statement of financial position				**311,013**
Additions to non-current assets *(Note)*	**8,558**	**230**	**–**	**8,788**

	Electronic products *HK$'000*	Biodiesel products *HK$'000*	Energy saving business *HK$'000*	Total *HK$'000*
As at 31 December 2013				
Total segment assets	465,617	15,991	71,545	553,153
Unallocated:				
Cash and cash equivalents				674
Prepayments, deposits and other receivables				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 *(Note)*	7,866	1,004	1,133	10,003

Note: 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:

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**63,321**	55,673
The PRC	**56,668**	39,739
	119,989	95,412

Analysis of revenue by category:

Sale of goods	**956,904**	775,789
Revenue from services	**547**	93
Total revenue	**957,451**	775,882
Other income		
Dividend income from available-for-sale financial assets and financial assets at fair value through profit or loss	**–**	44

6 EXPENSES BY NATURE

	2014	2013
	HK$'000	*HK$'000*
Amortisation of leasehold land and land use rights	**50**	51
Auditor's remuneration	**2,192**	1,756
Cost of inventories sold	**555,682**	432,200
Depreciation		
– Owned property, plant and equipment	**11,936**	13,355
– Leased property, plant and equipment	**474**	841
Amortisation of intangible assets on customer relationships	**–**	521
Amortisation of non-current prepayments	**505**	666
Employee benefit expense – excluding Directors' emoluments	**175,552**	156,336
Employee benefit expense – Directors' emoluments	**11,645**	11,209
Reversal of provision for slow moving and obsolete inventories, net	**(429)**	–
Trade receivables written (back)/off	**(100)**	501
Operating lease payments	**16,101**	16,576
Other expenses	**107,086**	85,135
Total of cost of sales, distribution costs and administrative expenses	**880,694**	719,147

7 OTHER (LOSSES)/GAINS – NET

	2014	2013
	HK$'000	*HK$'000*
Realised loss on financial assets at fair value through profit or loss – net	**–**	(167)
Fair value loss on financial assets at fair value through profit or loss – net	**(231)**	(634)
Fair value (loss)/gain on derivative financial instruments – net	**(12,261)**	738
Realised gain on disposal of available-for-sale financial assets	**287**	–
Realised gain on derivative financial instruments	**3,392**	5,704
Net foreign exchange losses	**(1,040)**	(3,589)
Loss on disposals of property, plant and equipment	**(423)**	(17)
Surplus of insurance compensation received over fire losses – net (Note (i))	**–**	23
Others	**768**	853
	(9,508)	2,911

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

	2014	2013
	HK$'000	*HK$'000*
Interests on bank loans, trust receipt loans and bank overdrafts wholly repayable within five years	**5,692**	5,140
Interest on loan from a customer	**5**	98
Interest element of finance leases	**86**	60
Total finance costs	**5,783**	5,298
Less: Interest income from bank deposits	**(187)**	(232)
Finance lease interest income	**(74)**	(6)
Finance costs – net	**5,522**	5,060

For the years ended 31 December 2014 and 2013, the interest on bank borrowings which contained a repayment on demand clause amounted to HK$5,692,000 and HK$5,140,000 respectively.

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 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.

	2014	2013
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**8,482**	9,173
– PRC enterprise income tax (Note a)	**7,622**	3,584
Underprovision in prior years	**6**	162
Deferred income tax (credit)/charge	**(1,229)**	45
Income tax expense	**14,881**	12,964

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 2014, the Company has eight subsidiaries operating in the PRC, namely Shenzhen Allcomm Electronic Co. Ltd., Alltronics Tech. Mftg. Limited, Southchina Engineering and Manufacturing Limited, 華泰電器制品(深圳)有限公司, 陽江華訊電子制品有限公司, Alltronics Energy Saving (Shenzhen) Limited, 南盈科技發展(深圳)有限公司 and 南華滙盈科技發展(深圳)有限公司. During the year ended 31 December 2014, these subsidiaries were subject to an income tax rate of 25% (2013: 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.

	2014	2013
Profit attributable to owners of the Company *(HK$'000)*	**45,232**	45,632
Weighted average number of ordinary shares in issue *(thousand)*	**345,862**	345,862
Basic earnings per share *(HK cents per share)*	**13.08**	13.19

(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 annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The assumed conversion of potential ordinary shares arising from the share options during the year ended 31 December 2013 would be anti-dilutive. During the year ended 31 December 2014, the Company did not have any dilutive potential ordinary shares.

	2014	2013
Profit attributable to owners of the Company *(HK$'000)*	**45,232**	45,632
Weighted average number of ordinary shares in issue *(thousand)*	**345,862**	345,862
Diluted earnings per share *(HK cents per share)*	**13.08**	13.19

11 DIVIDENDS

	2014	2013
	HK$'000	*HK$'000*
Interim dividend, paid, of HK5.0 cents (2013: HK5.0 cents) per ordinary share	**17,293**	17,293
Proposed final dividend of HK8.0 cents (2013: HK8.0 cents) per ordinary share	**27,669**	27,669
	44,962	44,962

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 28 May 2015. 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

	2014	2013
	HK$'000	*HK$'000*
Non-current finance lease receivable:		
Gross receivable	**24,490**	1,333
Less: unearned income	**(4,859)**	(322)
	19,631	1,011
Current finance lease receivable:		
Gross receivable	**8,719**	667
Less: unearned income	**(485)**	(67)
	8,234	600
Gross receivable from finance lease:		
– No later than 1 year	**8,719**	667
– Later than 1 year and no later than 5 years	**24,490**	1,333
– Later than 5 years	**–**	–
	33,209	2,000
Unearned future finance income on finance leases	**(5,344)**	(389)
Net investment in finance lease	**27,865**	1,611
The net investment in finance lease may be analysed as follows:		
– No later than 1 year	**8,234**	600
– Later than 1 year and no later than 5 years	**19,631**	1,011
– Later than 5 years	**–**	–
	27,865	1,611

Net investment in finance lease is calculated based on the future minimum lease payment to be received discounted by 7% per annum.

Finance lease receivable represents the present value of the lease payments under energy management contracts. The difference between the gross receivable and the present value of the receivable is recognised as unearned income.

13 TRADE RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**135,222**	118,748
Less: provision for impairment of receivables	**–**	–
	135,222	118,748

As at 31 December 2014 and 2013, 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:

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**77,406**	66,363
31 – 60 days	**37,361**	33,065
61 – 90 days	**16,536**	15,633
91 – 120 days	**3,165**	1,768
121 – 365 days	**723**	1,808
Over 365 days	**31**	111
	135,222	118,748

14 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**52,330**	57,473
31 – 60 days	**38,082**	39,887
61 – 90 days	**12,966**	7,605
91 – 120 days	**2,562**	1,719
121 – 365 days	**1,366**	3,717
Over 365 days	**498**	410
	107,804	110,811

As at 31 December 2014 and 2013, 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 2014 (2013: 66.8%). In the opinion of the Directors, Profit International Holdings Limited is the ultimate holding company and Mr. Lam Yin Kee is the ultimate controlling party of the Company.

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 2014, the total dividends paid or payable for the year 2014 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 8 June 2015. Subject to the passing of the relevant resolution at the forthcoming annual general meeting, the final dividend will be payable on or around 29 June 2015.

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 8 June 2015. 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 29 June 2015. For further details, please refer to the separate announcement of the Company relating to the bonus issue dated 30 March 2015.

ANNUAL GENERAL MEETING

The Annual General Meeting 2015 (the "AGM") of the Company will be held at Park Lane Room VI, 27th Floor, The Park Lane Hong Kong, 310 Gloucester Road, Hong Kong on 28 May 2015 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 2015 to 28 May 2015 (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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 25 May 2015.

The register of members of the Company will also be closed from 4 June 2015 to 8 June 2015 (both dates inclusive), during which period no share transfers will be effected. In order to qualify for the proposed final dividend and bonus issue (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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 3 June 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

Total turnover for the year had increased by 23.4% to HK$957.5 million, as compared to HK$775.9 million for the year 2013. The turnover analysis by business segment for the two years ended 31 December 2014 and 2013 respectively are as follows:

	2014	2013
	HK$'000	*HK$'000*
Revenue from sales of electronic products	**922,594**	751,705
Revenue from sales of biodiesel products	**13,047**	21,622
Revenue from energy saving business	**21,810**	2,555
	957,451	775,882

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 strong and the total sales of finished electronic products for 2014 were HK$711.1 million, as compared to HK$587.5 million for 2013. During the year, the demand for the Group's major product, irrigation controllers, had increased by HK$59.3 million. Sales of finished electronic products to most of the other customers had remained stable with steady growth. Total sales of components for electronic products, including transformers and adapters, had increased to HK$144.5 million, compared to HK$119.6 million for 2013. Total sales of plastic moulds and plastic components had also increased from HK$44.6 million in 2013 to HK$67.0 million in 2014.

Due to the expiry of the government contract for the supply of B5 biodiesel on 30 April 2013, there were no sales of biodiesel products to the Hong Kong Government during 2014. As a result, sales of biodiesel products had dropped from HK$21.6 million in 2013 to HK$13.0 million in 2014.

Regarding the energy saving business segment, total revenue generated during the year was HK$21.8 million. During the year, the LED lighting equipment project (the "Suning EMC Project") with Suning Commerce Group Co., Ltd. ("Suning") continued. As of 31 December 2014, the Group had completed the installation work and the inspection procedures at over 200 Suning retail stores. Management expects that approximately another 100 retail stores of Suning will complete the inspection procedures during the first half of 2015. The Group will continue the installation work at other Suning retail stores in the second half of 2015. During the year, the Group has entered into an energy management agreement with a hotel at Beijing operated by HNA Group Co., Ltd.. The Group expects to complete the LED lighting equipment installation work and the inspection procedures at this hotel during the second quarter of 2015.

In terms of geographical market, the United States continued to be the major market for the Group's products and accounted for approximately 53.2% of the total turnover for the year 2014 (2013: 55.2%). Sales to customers in Hong Kong had increased by HK$54.6 million while sales to customers in other geographical locations had remained stable. The Group will continue its efforts to secure new customers in different markets so that the turnover by geographical location can be spread more evenly.

Gross profit

The overall gross profit margin had reduced slightly from 18.2% for the year 2013 to 17.5% for 2014. The drop in overall gross profit margin was mainly due to the consistent rise in direct wages due to increase in minimum wages level in the PRC and the increases in other production overheads during the year. The Group will continue to tighten the controls over production costs and overheads, and to improve production efficiency so as to maximise the gross profit margin.

Operating expenses and other gains/losses

During the year ended 31 December 2014, total administrative expenses had increased slightly from HK$78.6 million in 2013 to HK$82.2 million. This is mainly due to annual increment in staff salaries and general inflation. The total finance costs for the year had increased slightly by HK$0.5 million. Other losses had increased significantly by HK$12.4 million as there was a fair value loss on derivative financial instruments amounting to HK$12.3 million.

Net profit attributable to owners of the Company

Despite the increase in turnover for the year, the fair value loss on derivative financial instruments had led to a slight decrease in the net profit attributable to owners of the Company from HK$45.6 million to HK$45.2 million.

PRODUCTION FACILITIES

The Group currently has three production facilities in the PRC for the manufacturing of electronic products and components, two of which are located in Shenzhen, and one in Yangxi. During the year 2014, the Group spent approximately HK$3.5 million to acquire plant and machinery, approximately HK$1.3 million to acquire motor vehicles and spent approximately HK$1.4 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 2014, the Group's total cash and cash equivalents, net of current bank overdrafts, amounted to HK$48.2 million. The net funds are sufficient to finance the Group's working capital and capital expenditure plans.

At 31 December 2014, total borrowings of the Group amounted to HK$137.8 million, comprising bank overdrafts of HK$16.2 million, bank loans of HK$76.2 million, bills payable and trust receipt loans of HK$44.0 million and obligations under finance leases 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 2014 ranged from 3.0% to 5.8% per annum.

The Group's trade receivable turnover, inventory turnover and trade payable turnover were approximately 48 days, 88 days and 77 days respectively for the year 2014. 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 2014, the Group's total current assets had decreased by 4.9% to HK$436.1 million compared to HK$458.5 million as at 31 December 2013, and the Group's total current liabilities had decreased by 0.6% to HK$304.4 million compared to HK$306.2 million as at 31 December 2013. The current ratio (current assets/current liabilities) as at 31 December 2014 was 1.43 times, which is at approximately the same level of 1.50 times as at 31 December 2013.

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 2014. As at 31 December 2014, there were no share options remained outstanding.

During the year, the Company had not issued any new shares. As at 31 December 2014, the Company had in issue a total of 345,862,000 ordinary shares.

CASH FLOWS

The net balance of cash, cash equivalents and bank overdrafts at 31 December 2014 was HK$48.2 million, which had decreased by HK$24.4 million compared to the balance at 31 December 2013.

The net cash generated from operating activities for the year was HK$55.3 million. The net cash used in investing activities amounted to HK$19.3 million, which was mainly due to HK$8.8 million paid for the acquisition of property, plant and equipment; HK$7.3 million paid for non-current prepayments; HK$6.3 million paid for the capital contribution to the Group's associated company established in the PRC and HK$2.9 million received from sale of available-for-sale financial assets.

On the other hand, there was a net cash outflow of HK$59.7 million from financing activities in 2014. During the year, new borrowings of HK$76.5 million were obtained and HK$69.8 million was used to repay borrowings and finance leases, and HK$45.0 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$8.8 million, mainly financed by internal resources of the Group.

PLEDGE OF ASSETS

At 31 December 2014, the Group had total bank borrowings (excluding obligations under finance leases) of HK$136.3 million, out of which HK$29.9 million were secured by short-term bank deposits of HK$10.5 million and trade receivables of HK$1.8 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 2014, the gearing ratio of the Group was 12.1% (2013: the Group did not have a net debt position).

CONTINGENT LIABILITIES

At both 31 December 2014 and 31 December 2013, the Group did not have any material contingent liabilities.

EMPLOYEES

At 31 December 2014, the Group had 2,541 employees, of which 80 were employed in Hong Kong and 2,461 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 2014 amounted to HK$175.6 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 2014, 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 foreign exchange contracts with major and reputable financial institutions to hedge its foreign exchange risk exposure. As at 31 December 2014, the aggregate notional amount over the remaining contract periods of outstanding forward foreign exchange contracts to buy Renminbi is approximately US$42.0 million (equivalent to approximately HK$327.6 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 2015 will remain uncertain. Factors such as the risk of fluctuation of exchange rate of Renminbi against United States dollars and Hong Kong dollars; the consistent upward adjustment on the minimum wage levels in the PRC; and the risk of global inflation will continue to be the critical elements affecting the performance of the Group's electronic products segment. The Group will continue its efforts to tighten controls over production costs and overheads, and to improve production efficiency so as to maximise the gross profit margin. During the year 2014, the Group has entered into manufacturing and distribution agreements with two independent third parties for Wi-Fi equipment and medical equipment. Negotiations with potential customers for these new products are in the final stages and product samples had been sent to potential customers for evaluation and approval. Orders from these potential customers are expected in the second half of 2015. The Group has confidence that the performance of the electronic business segment will remain stable in 2015.

In October 2014, the Group has entered into a joint venture agreement with an independent third party for the establishment of a 49% owned associated company in the PRC. The associated company will be principally engaged in the manufacture and sale of printers and other accessory products, and expects to commence production in the second quarter of 2015.

In terms of geographical market, the sales to United States customers accounted for over 50% of the total sales for 2014. The Group foresees that United States will still be the major market for its products in 2015. The Group will continue to devote efforts to explore new markets and new customers to broaden its customer base.

Regarding the biodiesel products segment, the demand from existing customers remains stable. The Group will continue to exploring new customers in Hong Kong for its biodiesel products, so as to help to improve air quality and to make Hong Kong a cleaner place to live. The existing government contract for the supply of B5 biodiesel to the Hong Kong Government will expire during the second quarter of 2015. The Group expects that the tender for the renewal contract will soon be issued by the Hong Kong Government. The Group will submit the tender documents for the renewal contract and has confidence to secure the renewal contract for the supply of B5 biodiesel to the Hong Kong government.

In November 2014, the Group has entered into a supply agreement with a renowned catering group operating over 40 Chinese restaurants in Hong Kong for the supply of energy efficient gas stoves. Installation of energy efficient gas stoves at these Chinese restaurants expects to commence in the second quarter of 2015, and the Group estimates that the total number of energy efficient gas stoves to be installed is approximately 250. The Group is in negotiations with other potential customers for the supply of energy efficient gas stoves and will enter into more supply agreements during 2015.

Regarding the Suning EMC Project, as of 31 December 2014, the Group had completed the installation work and the inspection procedures at over 200 retail stores of Suning. The Group expects to complete the installation work and the inspection procedures at approximately 100 retail stores of Suning during the first half of 2015 and will continue the installation work at other retail stores of Suning in the second half of 2015. The Group will also continue its negotiation with HNA Group Co., Ltd. for the provision of energy saving business solutions to other hotels managed by HNA Group Co., Ltd..

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

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 and Corporate Governance Report as set out in Appendix 14 of the Rules Governing the Listing Securities on the Stock Exchange (the "Listing Rules"), except for the limited deviation on the grounds and causes as explained below. The Board will review and update the current practices regularly to ensure compliance with the latest practices in corporate governance so as to protect and maximise the interests of shareholders.

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

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to prior business commitments, two independent non-executive Directors were unable to attend the annual general meeting of the Company held on 29 May 2014.

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 2014.

CHANGES IN INFORMATION OF DIRECTORS

Mr. Fan, William Chung Yue, being a non-executive Director of the Company, has been appointed as an independent non-executive director of National Agricultural Holdings Limited on 12 January 2015. National Agricultural Holdings Limited is a company listed on the Main Board of the Stock Exchange.

Save as disclosed above, there were no other changes in directors' information since publication of the 2013 annual report of the Company and there is no other information required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules.

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 2014 at a meeting held on 30 March 2015, 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.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in the preliminary announcement 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 2014. 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 2014 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, 30 March 2015

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