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 2015

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 2015, 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 2014 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2015

	Note	**2015** *HK$'000*	2014 *HK$'000*
Revenue	*5*	**886,305**	957,451
Cost of sales	*6*	**(722,075)**	(790,063)
Gross profit		**164,230**	167,388
Distribution costs	*6*	**(7,419)**	(8,389)
Administrative expenses	*6*	**(88,478)**	(82,242)
Other losses - net	*7*	**(4,888)**	(9,508)
Operating profit		**63,445**	67,249
Finance income	*8*	**1,729**	261
Finance costs	*8*	**(5,776)**	(5,783)
Finance costs - net		**(4,047)**	(5,522)
Share of profit of an associate		**192**	–
Profit before income tax		**59,590**	61,727
Income tax expense	*9*	**(15,521)**	(14,881)
Profit for the year		**44,069**	46,846

	Note	2015 HK$'000	2014 HK$'000
Attributable to:			
Owners of the Company		**41,410**	45,232
Non-controlling interests		**2,659**	1,614
		44,069	46,846
		HK Cents	*HK Cents* (Restated)
Earnings per share for profit attributable to owners of the Company			
– basic	*10*	**10.75**	11.89
– diluted	*10*	**10.75**	11.89

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015 HK$'000	2014 HK$'000
Profit for the year	**44,069**	46,846
Other comprehensive loss		
Item that may be reclassified to profit or loss		
Currency translation differences	**(9,141)**	(1,153)
Total other comprehensive loss for the year	**(9,141)**	(1,153)
Total comprehensive income for the year	**34,928**	45,693
Total comprehensive income for the year attributable to:		
Owners of the Company	**32,209**	44,260
Non-controlling interests	**2,719**	1,433
	34,928	45,693

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	**2015**	2014
		HK$'000	HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**37,548**	38,816
Leasehold land and land use rights		**1,720**	1,770
Intangible assets		**11,672**	19,931
Interest in an associate		**18,426**	6,282
Available-for-sale financial assets		**5,000**	–
Prepayments and deposits		**58,804**	31,686
Finance lease receivable	*12*	**6,561**	19,631
Deferred income tax assets		**2,498**	1,873
Total non-current assets		**142,229**	119,989
Current assets			
Inventories		**196,680**	174,494
Finance lease receivable	*12*	**19,979**	8,234
Trade receivables	*13*	**113,754**	135,222
Prepayments, deposits and other receivables		**40,636**	42,005
Amounts due from non-controlling shareholders of a subsidiary		**651**	535
Financial assets at fair value through profit or loss		**256**	434
Tax recoverable		**23**	316
Pledged bank deposits		**10,527**	10,507
Cash and cash equivalents (excluding bank overdrafts)		**204,505**	64,371
Total current assets		**587,011**	436,118
Total assets		**729,240**	556,107

	Note	2015	2014
		HK$'000	HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**4,496**	3,459
Reserves		**365,971**	253,437
		370,467	256,896
Non-controlling interests		**(9,053)**	(11,802)
Total equity		**361,414**	245,094
LIABILITIES			
Non-current liabilities			
Borrowings		**1,837**	831
Deferred revenue		**1,518**	4,396
Deferred income tax liabilities		**1,248**	1,347
Total non-current liabilities		**4,603**	6,574
Current liabilities			
Trade payables	*14*	**114,214**	107,804
Accruals and other payables		**45,529**	42,301
Deferred revenue		**1,176**	1,433
Amounts due to non-controlling shareholders of a subsidiary		**–**	37
Current income tax liabilities		**6,305**	4,068
Borrowings		**192,123**	136,933
Derivative financial instruments		**3,876**	11,863
Total current liabilities		**363,223**	304,439
Total liabilities		**367,826**	311,013
Total equity and liabilities		**729,240**	556,107

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 has been 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 31 March 2016.

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 financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss, which are carried at fair value.

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 amended standards and interpretation are mandatory for the first time for the financial year beginning 1 January 2015, but do not have significant financial impact to the Group

HKAS 19 (Amendment)	Defined Benefit Plans
HKFRSs (Amendment)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendment)	Annual Improvements 2011-2013 Cycle

(b) 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 during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(c) The following new and amended standards have been issued, but are not effective for the financial year beginning 1 January 2015 and have not been early adopted

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Disclosure Initiative	1 January 2016
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 and HKFRS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
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 2012-2014 Cycles	1 January 2016

The Group 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 Group's results of operations and financial position.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

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

There have been no material changes in the risk management personnel since 31 December 2014 or in any risk management policies.

4.2 Liquidity risk

Compared to 31 December 2014, there was no material change in the contractual undiscounted cash outflows 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 2015.

	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	**256**	**–**	**–**	**256**
Total assets	**256**	**–**	**–**	**256**
Liabilities				
Derivative financial instruments	**–**	**–**	**3,876**	**3,876**
Total liabilities	**–**	**–**	**3,876**	**3,876**

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

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

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 financial instruments includes the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

The following table presents the changes in level 3 instruments for the year ended 31 December 2015.

	Derivative financial instruments – net *HK$'000*
Opening balance	**(11,863)**
Fair value gain recognised in consolidated income statement	**7,987**
Closing balance	**(3,876)**
Total gain for the year included in consolidated income statement under "other losses – net"	**7,987**

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 loss for the year included in consolidated income statement under "other losses – net"	(12,261)

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

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 2015, 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.

For the two years ended 31 December 2015 and 2014, 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 2015				
Total segment revenue and revenue from external customers for:				
– sales of goods	**877,053**	**5,464**	**938**	**883,455**
– revenue from services	**–**	**–**	**2,850**	**2,850**
Total revenue	**877,053**	**5,464**	**3,788**	**886,305**
Operating profit/(loss) before interest and tax	**87,771**	**(13,365)**	**(6,728)**	**67,678**
Finance income	**201**	**–**	**1,528**	**1,729**
Finance costs	**(5,274)**	**(2)**	**(500)**	**(5,776)**
Share of profit of an associate	**192**	**–**	**–**	**192**
Income tax expense	**(15,521)**	**–**	**–**	**(15,521)**
	67,369	**(13,367)**	**(5,700)**	**48,302**
Unallocated operating costs				**(4,233)**
Profit for the year				**44,069**
Other information:				
Depreciation and amortisation	**(10,800)**	**(483)**	**(4,875)**	**(16,158)**
Fair value gain on derivative financial instruments - net	**7,987**	**–**	**–**	**7,987**
Impairment of goodwill	**–**	**(8,259)**	**–**	**(8,259)**

	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)
Impairment of goodwill	–	–	–	–

	2015	2014
	HK$'000	*HK$'000*
Analysis of revenue by category:		
Sale of goods	**883,455**	956,904
Revenue from services	**2,850**	547
Total revenue	**886,305**	957,451

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:

	2015	2014
	HK$'000	*HK$'000*
The United States	**456,837**	509,268
Hong Kong	**169,733**	175,385
Europe	**171,518**	179,507
The People's Republic of China (the "PRC")	**39,263**	54,944
Other countries	**48,954**	38,347
	886,305	957,451

For the year ended 31 December 2015, revenues of approximately HK$347,537,000 (2014: HK$370,417,000) were derived from a single external customer. These revenues were attributable to the electronic products segment.

	Electronic products HK$'000	Biodiesel products HK$'000	Energy saving business HK$'000	Total HK$'000
As at 31 December 2015				
Total segment assets	**631,465**	**2,660**	**92,032**	**726,157**
Unallocated:				
Cash and cash equivalents				**2,867**
Prepayments, deposits and other receivables				**193**
Tax recoverable				**23**
Total assets per consolidated statement of financial position				**729,240**
Total segment liabilities	**355,600**	**944**	**9,657**	**366,201**
Unallocated:				
Accruals and other payables				**1,625**
Total liabilities per consolidated statement of financial position				**367,826**
Additions to non-current assets *(Note)*	**10,615**	**172**	**347**	**11,134**

	Electronic products HK$'000	Biodiesel products HK$'000	Energy saving business HK$'000	Total HK$'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

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:

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**100,316**	63,321
The PRC	**41,913**	56,668
	142,229	119,989

6 EXPENSES BY NATURE

	2015	2014
	HK$'000	*HK$'000*
Amortisation of leasehold land and land use rights	**50**	50
Auditor's remuneration		
– Audit services	**2,240**	2,192
– Non-audit services	**721**	373
Cost of inventories sold	**476,460**	555,682
Depreciation		
– Owned property, plant and equipment	**10,672**	11,936
– Leased property, plant and equipment	**779**	474
Amortisation of non-current prepayments	**4,657**	505
Employee benefit expense – excluding Directors' emoluments	**181,560**	175,552
Employee benefit expense – Directors' emoluments	**12,705**	11,645
Provision/(reversal of provision) for slow moving and obsolete inventories, net	**5,608**	(429)
Trade receivables written off/(back)	**7**	(100)
Operating lease payments	**17,785**	16,101
Other expenses	**104,728**	106,713
Total of cost of sales, distribution costs and administrative expenses	**817,972**	880,694

7 OTHER LOSSES – NET

	2015	2014
	HK$'000	*HK$'000*
Fair value loss on financial assets at fair value through profit or loss – net	**(178)**	(231)
Fair value gain/(loss) on derivative financial instruments – net	**7,987**	(12,261)
Realised gain on disposal of available-for-sale financial assets	**–**	287
Realised (loss)/gain on derivative financial instruments	**(3,546)**	3,392
Impairment on goodwill for biodiesel business segment	**(8,259)**	–
Net foreign exchange losses	**(2,130)**	(1,040)
Gain/(loss) on disposals of property, plant and equipment	**93**	(423)
Others	**1,145**	768
	(4,888)	(9,508)

8 FINANCE INCOME AND COSTS

	2015	2014
	HK$'000	*HK$'000*
Interests on bank loans, trust receipt loans and bank overdrafts	**5,618**	5,692
Interest on loan from a customer	**–**	5
Interest element of finance leases	**158**	86
Total finance costs	**5,776**	5,783
Less: Interest income from bank deposits	**(204)**	(187)
Finance lease interest income	**(1,525)**	(74)
Total finance income	**(1,729)**	(261)
Finance costs – net	**4,047**	5,522

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate 16.5% (2014: 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.

	2015	2014
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**8,075**	8,482
– PRC enterprise income tax *(Note a)*	**8,340**	7,622
(Over)/underprovision in prior years	**(170)**	6
Deferred income tax credit	**(724)**	(1,229)
Income tax expense	**15,521**	14,881

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 2015, the Group has six subsidiaries operating in the PRC, namely Shenzhen Allcomm Electronic Co. Ltd., 華泰電器制品(深圳)有限公司, 陽江市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 南華匯盈科技發展(深圳)有限公司. During the year ended 31 December 2015, these subsidiaries were subject to an income tax rate of 25% (2014: 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.

	2015	2014 (Restated)
Profit attributable to owners of the Company *(HK$'000)*	**41,410**	45,232
Weighted average number of ordinary shares in issue *(thousand)* *(Note)*	**385,186**	380,448
Basic earnings per share *(HK cents per share)*	**10.75**	11.89

Note:

The weighted average number of ordinary shares in issue is adjusted to reflect the effect of bonus issue for the issue of 34,586,200 bonus shares by the Company on the basis of one new bonus share for every ten shares held by the shareholders on 8 June 2015 and allotted on 29 June 2015. Weighted average number of ordinary shares in issue was restated in 2014 accordingly.

(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 years ended 31 December 2015 and 2014, the Company did not have any dilutive potential ordinary shares.

11 DIVIDENDS

	2015 ***HK$'000***	2014 *HK$'000*
Interim dividend, paid, of HK5.0 cents (2014: HK4.5 cents, as restated*) per ordinary share	**19,022**	17,293
Proposed final dividend of HK5.0 cents (2014: HK7.3 cents, as restated*) per ordinary share	**22,481**	27,669
	41,503	44,962

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

The Board recommends the payment of a final dividend of HK5.0 cents per ordinary share, totalling HK$22,481,000. Such dividend is to be approved by the shareholders at the Annual General Meeting of the Company to be held on 7 June 2016. 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

	2015	2014
	HK$'000	*HK$'000*
Non-current finance lease receivable:		
Gross receivable	**8,833**	24,490
Less: unearned income	**(2,272)**	(4,859)
	6,561	19,631
Current finance lease receivable:		
Gross receivable	**21,493**	8,719
Less: unearned income	**(1,514)**	(485)
	19,979	8,234
Gross receivable from finance lease:		
– No later than 1 year	**21,493**	8,719
– Later than 1 year and no later than 5 years	**8,833**	24,490
– Later than 5 years	**–**	–
	30,326	33,209
Unearned future finance income on finance leases	**(3,786)**	(5,344)
Net investment in finance lease	**26,540**	27,865
The net investment in finance lease may be analysed as follows:		
– No later than 1 year	**19,979**	8,234
– Later than 1 year and no later than 5 years	**6,561**	19,631
– Later than 5 years	**–**	–
	26,540	27,865

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

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**113,754**	135,222
Less: provision for impairment of receivables	**–**	–
	113,754	135,222

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

The Group's sales to corporate customers are entered into on credit terms of up to 120 days, except for certain credit worthy customers to whom a longer credit period is allowed.

The ageing analysis of trade receivables at the statement of financial position dates based on invoice date is as follows:

	2015	2014
	HK$'000	*HK$'000*
0-30 days	**73,510**	77,406
31-60 days	**28,366**	37,361
61-90 days	**8,420**	16,536
91-120 days	**2,428**	3,165
121-365 days	**938**	723
Over 365 days	**92**	31
	113,754	135,222

14 TRADE PAYABLES

The ageing analysis of trade payables at the statement of financial position dates based on invoice date is as follows:

	2015	2014
	HK$'000	*HK$'000*
0-30 days	**57,425**	52,330
31-60 days	**45,024**	38,082
61-90 days	**6,544**	12,966
91-120 days	**1,097**	2,562
121-365 days	**3,149**	1,366
Over 365 days	**975**	498
	114,214	107,804

As at 31 December 2015 and 2014, 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 56.5% of the Company's issued shares as at 31 December 2015 (2014: 66.8%). In the opinion of the Directors, Profit International Holdings Limited is the ultimate holding company and Mr. Lam Yin Kee is the ultimate controlling party of the Company.

16 EVENT AFTER THE REPORTING PERIOD

On 27 January 2016, the Group completed the acquisition of the properties located at 4/F, Citicorp Centre, 18 Whitfield Road, Hong Kong together with four car parking spaces. Details of the acquisition were set out in the announcements issued by the Company dated 10 November 2015, 20 November 2015 and 27 January 2016 respectively, and the circular issued by the Company dated 24 December 2015. The properties will be used as the Group's new head office in Hong Kong.

PROPOSED FINAL DIVIDEND

In appreciation of the continuing support from our shareholders, the Board proposes the payment of a final dividend of HK5.0 cents per share. Together with the interim dividend of HK5.0 cents per share paid in October 2015, the total dividends paid or payable for the year 2015 will be HK10.0 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 HK5.0 cents per share will be payable to shareholders whose names appear on the register of members of the Company on 16 June 2016. 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 2016.

ANNUAL GENERAL MEETING

The Annual General Meeting 2016 (the "AGM") of the Company will be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 7 June 2016 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 2 June 2016 to 7 June 2016 (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 1 June 2016.

The register of members of the Company will also be closed from 14 June 2016 to 16 June 2016 (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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 13 June 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Total revenue for the year ended 31 December 2015 had decreased by 7.4% to HK$886.3 million, as compared to HK$957.5 million for the year 2014. The revenue analysis by business segment for the two years ended 31 December 2015 and 2014 respectively are as follows:

	2015	2014
	HK$'000	*HK$'000*
Revenue from sales of electronic products	**877,053**	922,594
Revenue from sales of biodiesel products	**5,464**	13,047
Revenue from energy saving business	**3,788**	21,810
	886,305	957,451

Sales of electronic products comprise sales of finished electronic products; plastic moulds; plastic and other components for electronic products. The decrease in total sales revenue from electronic products was mainly due to the drop in sales of finished electronic products, which had decreased from HK$711.1 million in 2014 to HK$642.8 million in 2015. This was mainly due to the slow down of orders from customers in the United States. During the year, the demand for the Group's major product, irrigation controllers, had decreased by HK$22.9 million. Demand from customers in other geographical locations had remained stable. Total sales of components for electronic products, including transformers and adapters, had decreased from HK$144.5 million in 2014 to HK$141.3 million in 2015. On the other hand, sales revenue from plastic moulds and plastic components for electronic products had increased from HK$67.0 million in 2014 to HK$93.0 million in 2015.

The sales revenue from biodiesel products had dropped by 58.1%. As a result of the continuous drop in the global oil commodity prices, the unit selling price for biodiesel products had also dropped during the year. Furthermore, biodiesel products will be less attractive to customers when oil commodity prices drop and there is less incentive for them to shift to use biodiesel products. During the year, the Group had ceased to lease the biodiesel production facilities located at Tuen Mun so as to reduce the operating costs for this business segment.

Regarding the energy saving business segment, total revenue generated during the year 2015 was HK$3.8 million, as compared to HK$21.8 million in 2014. During the year, the LED lighting equipment project (the "Suning EMC Project") with Suning Commerce Group Co., Ltd. ("Suning") continued and about 200 retail stores of Suning had completed the installation work but pending completion of the inspection procedures. Energy saving revenue from these stores will be recognised when the inspection procedures are completed. As of 31 December 2015, the Group had completed the installation work at over 400 Suning retail stores in aggregate. The Group will continue the installation work at other Suning retail stores in 2016. During the year, the Group had also completed the installation work and the inspection procedures at a hotel at Beijing operated by HNA Group Co., Ltd..

In terms of geographical market, the United States continued to be the major market for the Group's products and accounted for approximately 51.5% of the total revenue for the year (2014: 53.2%). Sales to customers in Hong Kong had decreased by HK$5.7 million while sales to customers in Europe had decreased by HK$8.0 million. Sales to other geographical locations had remained stable. The Group will continue its efforts to secure new customers in different markets so that the revenue by geographical location can be spread more evenly.

Gross profit

The overall gross profit margin had improved from 17.5% for the year 2014 to 18.5% for 2015. The increase in overall gross profit margin was mainly due to adjustment in selling prices, the devaluation of Renminbi against United States dollars and Hong Kong dollars, and the Group's continued effort to tighten the controls over production costs and overheads, and to improve production efficiency so as to maximise the gross profit margin.

Operating expenses and other gains/losses

During the year, total administrative expenses had increased slightly from HK$82.2 million in 2014 to HK$88.5 million in 2015. The increase was mainly due to annual salary increment in staff salaries and general inflation. The total distribution costs and total finance costs had remained stable. There was a fair value loss on derivative financial instruments of HK$12.3 million for the year 2014, compared to a fair value gain of HK$8.0 million for 2015. In view of the consistent reduction in demand for biodiesel products and the close of biodiesel production facilities located in Hong Kong, an impairment of HK$8.3 million on the goodwill for biodiesel business segment had been made during the year.

Net profit attributable to owners of the Company

Net profit attributable to owners of the Company for the year was HK$41.4 million, compared to HK$45.2 million for 2014.

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, the Group spent approximately HK$5.0 million to acquire plant and machinery, approximately HK$3.2 million to acquire motor vehicles and spent approximately HK$0.9 million on leasehold improvements to enhance its production capacity.

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

During the year, the demand for biodiesel products had reduced consistently and the Group had ceased to lease the biodiesel production facilities located at Tuen Mun, Hong Kong.

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 2015, the Group's total cash and cash equivalents, net of current bank overdrafts, amounted to HK$196.8 million. The net funds are sufficient to finance the Group working capital and capital expenditure plans.

At 31 December 2015, total borrowings of the Group amounted to HK$194.0 million, comprising bank overdrafts of HK$7.7 million, bank loans of HK$135.7 million, bills payable and trust receipt loans of HK$47.6 million and obligations under finance leases of HK$3.0 million, all of which are denominated in Hong Kong dollars. The average effective interest rates for each of these borrowings at 31 December 2015 ranged from 2.9% to 5.6% per annum.

The Group's trade receivable turnover, inventory turnover and trade payable turnover for the year were approximately 51 days, 94 days and 79 days respectively. 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 2015, the Group's total current assets had increased by 34.6% to HK$587.0 million compared to HK$436.1 million as at 31 December 2014, and the Group's total current liabilities had increased by 19.3% to HK$363.2 million compared to HK$304.4 million as at 31 December 2014. The current ratio (current assets/current liabilities) as at 31 December 2015 was 1.62 times, which had improved from 1.43 times as at 31 December 2014.

Pursuant to a resolution passed by the shareholders of the Company at the annual general meeting held on 28 May 2015, the Company has allotted and issued 34,586,200 bonus shares, credited as fully paid at par, on the basis of one new bonus share for every ten shares held by the shareholders of the Company whose names appeared on the register of members of the Company on 8 June 2015. On 7 December 2015, the Company placed 69,172,000 new ordinary shares, at HK$1.88 per share, to an independent third party pursuant to a placing agreement dated 20 November 2015. Net proceeds from the placing amounted to approximately HK$128.1 million. During the year, the Company had not issued any other new shares and had not repurchased any of its own shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

At 31 December 2015, the Company had in issue a total of 449,620,200 ordinary shares. During the year, there were no share options granted, exercised, lapsed or cancelled. The Company's share option scheme as adopted on 22 June 2005 had expired on 21 June 2015. As at 31 December 2015, the Company did not have any share options outstanding.

CASH FLOWS

The net balance of cash, cash equivalents and bank overdrafts at 31 December 2015 was HK$196.8 million, which had increased by HK$148.6 million compared to the balance at 31 December 2014.

The net cash generated from operating activities for the year was HK$53.9 million. The net cash used in investing activities amounted to HK$57.6 million, which was mainly due to HK$8.5 million paid for the acquisition of property, plant and equipment; HK$32.6 million paid as deposits for the acquisition of leasehold properties; HK$12.0 million paid for investment in an associate; and HK$5.0 million paid for the purchase of available-for-sale financial assets.

On the other hand, there was a net cash inflow of HK$152.8 million from financing activities. During the year, new borrowings of HK$193.8 million were obtained and HK$135.5 million was used to repay borrowings and finance leases, and HK$46.7 million was paid to shareholders as dividend. Net proceeds of HK$128.1 million had been received from new shares placed during the year.

CAPITAL EXPENDITURE

During the year, the Group acquired property, plant and equipment at a total cost of HK$11.1 million, mainly financed by finance leases and internal resources of the Group. The Group has also paid deposits of HK$32.6 million, out of internal resources, for the acquisition of properties which completed on 27 January 2016 as the Group's new head office in Hong Kong.

PLEDGE OF ASSETS

At 31 December 2015, the Group had total bank borrowings (excluding obligations under finance leases) of HK$191.0 million, out of which HK$27.0 million were secured by short-term bank deposits of HK$10.5 million and trade receivables of HK$0.4 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 2015, the Group did not have a debt position (At 31 December 2014: there was a gearing ratio of 12%).

CONTINGENT LIABILITIES

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

EMPLOYEES

At 31 December 2015, the Group had 2,814 employees, of which 77 were employed in Hong Kong and 2,737 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 the year amounted to HK$181.6 million.

The Company has also adopted a share option scheme on 22 June 2005. The share option scheme had expired on 21 June 2015. During the year, no share options had been granted, exercised, lapsed or cancelled. As at 31 December 2015, there were no share options remained outstanding under the share option scheme.

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

FOREIGN EXCHANGE EXPOSURE

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

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 2015, the aggregate notional amount over the remaining contract periods of outstanding forward foreign exchange contracts to buy Renminbi is approximately US$6.0 million (equivalent to approximately HK$46.8 million). These are for hedging against foreign exchange risk exposure relating to the production costs and certain outstanding payables denominated in Renminbi. Management will continue to evaluate the Group's foreign currency exposure and take further actions as appropriate to minimise the Group's exposure whenever necessary.

OUTLOOK

In view of the recent fluctuations in the global stock markets and foreign exchange rates, the Group foresees that the global economic environment in 2016 will remain uncertain. Factors such as the risk of fluctuation of exchange rate of Renminbi against United States dollars and Hong Kong dollars; the fluctuation in raw material costs and commodities prices; 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.

In August 2015, the Group has entered into a co-operative agreement with a Shenzhen subsidiary of China Unicom (Hong Kong) Limited ("China Unicom") to develop Wi-Fi services and act as a sales agent for China Unicom 4G service plans in Shenzhen. The Group will invest, build and manage the Wi-Fi facilities for China Unicom and plans to target the factories in Shenzhen as pilot locations in the first stage. The Wi-Fi equipment manufactured by the Group are under the testing stage and the Group expects to commence the installation work during the second half of 2016. The Group's unlisted equity investment in available-for-sale financial assets provides a strong base for the Group's development in Wi-Fi equipment business.

On the other hand, negotiations with potential customers for medical equipment are still in progress and product samples had been sent to potential customers for evaluation and approval. The demand for the Group's irrigation controllers and other electronic products will remain to be strong, and the Group has confidence that the performance of the electronic business segment will remain stable during 2016.

In terms of geographical market, the sales to United States customers accounted for over 50% of the total sales for the year. The Group foresees that United States will still be the major market for its products in 2016. The Group will continue to devote efforts to explore new markets and new customers to broaden its customer base.

Regarding the 49% owned associate established in the PRC for the manufacture and sale of printers and other accessory products, the factory located at Yi Chun had commenced operations in the second half of 2015 and first shipment to customers had been made in the fourth quarter of 2015. The contribution from this associate will increase during 2016.

The demand for the Group's biodiesel products remained at low levels during the year. The consistent drop in the global oil commodity prices has resulted in downward adjustment to the unit selling price of biodiesel products. Furthermore, customers are becoming less tempted to shift to use biodiesel products when the oil commodity prices drop. Demand for biodiesel products is expected to remain at low levels in 2016.

As of 31 December 2015, about 20 energy efficient gas stoves had been installed for customers in Hong Kong. In 2016, the Group will allocate more resources on the energy efficient gas stoves business and will continue the installation of energy efficient gas stoves to other customers.

Regarding the Suning EMC Project, as of 31 December 2015, the Group had completed the installation work and the inspection procedures at over 200 retail stores of Suning, and about 200 retail stores of Suning had completed the installation work pending for completion of the inspection procedures. The Group will continue the installation work at other retail stores of Suning in 2016. 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..

Looking forward, the Group will continue to explore opportunities for new products and projects with other potential customers, both in the PRC and in Hong Kong, and will 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.

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 2015.

CHANGES IN INFORMATION OF DIRECTORS

Ms. Liu Jing has been appointed as an executive director of the Company effective from 5 March 2016.

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

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 2015 at a meeting held on 31 March 2016, 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 2015 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 2015. 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 2015 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, 31 March 2016

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

Executive Directors
Mr. Lam Yin Kee, Ms. Yeung Po Wah, Ms. Liu Jing, 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