



Alltronics Holdings Limited
華訊股份有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 833



Interim Report 2008

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CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2008

		Six months ended 30 June	
		2008	2007
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	4	228,378	300,416
Cost of sales	5	(203,885)	(221,472)
Gross profit		24,493	78,944
Distribution costs	5	(2,246)	(2,834)
Administrative expenses	5	(27,855)	(33,379)
Other gains – net	6	295	1,766
Operating (loss)/profit		(5,313)	44,497
Finance costs – net	7	(844)	(2,311)
(Loss)/Profit before income tax		(6,157)	42,186
Income tax credit/(charge)	8	56	(8,749)
(Loss)/Profit for the period		(6,101)	33,437
Attributable to:			
Equity holders of the Company		(6,341)	32,164
Minority interest		240	1,273
		(6,101)	33,437
(Loss)/Earnings per share for (loss)/profit attributable to equity holders of the Company during the period (expressed in HK cents per share)			
– Basic	9	(2.0)	10.7
– Diluted	9	(2.0)	10.5
Dividend attributable to the period:			
Interim dividend	10	–	15,635

The notes on pages 7 to 23 form part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET*As at 30 June 2008*

	<i>Note</i>	As at	
		30 June 2008	31 December 2007
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	<i>11</i>	58,065	57,528
Leasehold land and land use rights	<i>12</i>	2,097	2,122
Intangible asset		11,672	11,672
Available-for-sale financial assets	<i>17</i>	3,439	3,482
Prepayment for non-current assets		934	1,683
Deferred income tax assets		430	54
Total non-current assets		76,637	76,541
Current assets			
Inventories		82,694	83,447
Trade receivables	<i>13</i>	71,025	64,516
Prepayments, deposits and other receivables		9,373	3,774
Amount due from a related company	<i>19(b)</i>	6,968	509
Amount due from ultimate holding company	<i>19(b)</i>	29	29
Amount due from minority shareholders of a subsidiary	<i>19(b)</i>	2,738	1,522
Pledged bank deposits	<i>17</i>	2,391	2,376
Cash and cash equivalents		61,503	104,634
Total current assets		236,721	260,807
Total assets		313,358	337,348

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2008

		As at		
		30 June 2008	31 December 2007	
Note		HK\$'000 (Unaudited)	HK\$'000 (Audited)	
EQUITY				
Capital and reserves attributable to equity holders of the Company				
	Share capital	15	3,130	3,130
	Reserves			
	Proposed dividend		–	12,520
	Others		181,948	187,668
			185,078	203,318
	Minority interest		7,405	6,956
	Total equity		192,483	210,274
LIABILITIES				
Non-current liabilities				
	Borrowings	16	5,149	7,205
	Deferred income tax liabilities		85	1,568
	Total non-current liabilities		5,234	8,773
Current liabilities				
	Trade payables	14	44,692	51,253
	Accruals and other payables		24,299	24,261
	Current income tax liabilities		2,643	1,983
	Borrowings	16	44,007	40,804
	Total current liabilities		115,641	118,301
	Total liabilities		120,875	127,074
	Total equity and liabilities		313,358	337,348
	Net current assets		121,080	142,506
	Total assets less current liabilities		197,717	219,047

The notes on pages 7 to 23 form part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2008

	Attributable to equity holders of the Company										
	Share capital	Share premium	Capital reserve	Statutory reserve	Share option reserve	Exchange reserve	Revaluation reserve	Retained earnings	Proposed dividend	Minority interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at											
1 January 2007	3,000	34,410	5,799	-	1,614	1,117	(35)	106,539	11,400	4,840	168,684
Fair value gain on available-for-sale financial assets	-	-	-	-	-	-	55	-	-	54	109
Exercise of share options	25	3,048	-	-	(299)	-	-	-	-	-	2,774
Currency translation differences	-	-	-	-	-	517	-	-	-	47	564
Profit for the period	-	-	-	-	-	-	-	32,164	-	1,273	33,437
Final dividend relating to 2006	-	-	-	-	-	-	-	(95)	(11,400)	-	(11,495)
Proposed interim dividend	-	-	-	-	-	-	-	(15,635)	15,635	-	-
Balance at 30 June 2007	3,025	37,458	5,799	-	1,315	1,634	20	122,973	15,635	6,214	194,073
Balance at											
1 January 2008	3,130	50,157	5,799	3,314	414	3,907	89	123,988	12,520	6,956	210,274
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	(22)	-	-	(21)	(43)
Currency translation differences	-	-	-	-	-	643	-	-	-	230	873
(Loss)/Profit for the period	-	-	-	-	-	-	-	(6,341)	-	240	(6,101)
Final dividend relating to 2007	-	-	-	-	-	-	-	-	(12,520)	-	(12,520)
Balance at 30 June 2008	3,130	50,157	5,799	3,314	414	4,550	67	117,647	-	7,405	192,483

The notes on pages 7 to 23 form part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT*For the six months ended 30 June 2008*

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	(20,256)	22,977
Net cash (used in)/generated from investing activities	(3,874)	8,510
Net cash used in financing	(19,048)	(17,493)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(43,178)	13,994
Cash, cash equivalents and bank overdrafts at 1 January	95,090	44,859
Effect of foreign exchange rate changes	605	26
Cash, cash equivalents and bank overdrafts at 30 June	52,517	58,879
Analysis of balances of cash, cash equivalents and bank overdrafts		
Cash and cash equivalents	61,503	70,521
Bank overdrafts	(8,986)	(11,642)
	52,517	58,879

The notes on pages 7 to 23 form part of the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Alltronics Holdings Limited (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 principal activities of the Company and its subsidiaries (together the “Group”) are the manufacturing and trading of electronic products, plastic moulds, plastic and other components for electronic products. The principal place of business of the Company is at Room 1108, 11/F, Eastwood Centre, No. 5 A Kung Ngam Village Road, Shau Kei Wan, Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The condensed consolidated interim financial information (“Interim Financial Information”) is presented in Hong Kong (“HK”) dollars, unless otherwise stated. This Interim Financial Information has been approved for issue by the Board of Directors on 25 September 2008.

2 BASIS OF PREPARATION

The Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies used in the preparation of the Interim Financial Information are consistent with those of the annual financial statements of the Company for the year ended 31 December 2007 and the new accounting policies as set out in Note 3 below. The Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2007, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued and effective as at the time of preparing the Interim Financial Information.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2007, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008 but are not currently relevant for the Group:

- HK(IFRIC) – Int 11, “HKFRS 2 – Group and treasury share transactions”
- HK(IFRIC) – Int 12, “Service concession arrangements”
- HK(IFRIC) – Int 14, “HKAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction”

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2008 and have not been early adopted:

- HKFRS 8, “Operating segments”, effective for annual periods beginning on or after 1 January 2009. HKFRS 8 replaces HKAS 14, “Segment reporting”, and requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. The expected impact is still being assessed in detail by the Group.
- HKAS 23 (amendment), “Borrowing costs”, effective for annual periods beginning on or after 1 January 2009. The expected impact is still being assessed in detail by the Group.
- HKFRS 2 (amendment), “Share-based payment”, effective for annual periods beginning on or after 1 January 2009. The Group is assessing the impact of changes to vesting conditions and cancellations on the Group’s share option scheme.
- HKFRS 3 (amendment), “Business combinations” and consequential amendments to HKAS 27, “Consolidated and separate financial statements”, HKAS 28, “Investments in associates” and HKAS 31, “Interests in joint ventures”, effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The Group is assessing the impact of the new requirements regarding consolidation on the Group. The Group does not have any associates or joint ventures.
- HKAS 1 (amendment), “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009. The Group is in the process of developing proforma accounts under the revised disclosure requirements of this standard.
- HKAS 32 (amendment), “Financial instruments: presentation”, and consequential amendments to HKAS 1, “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009. This is not relevant to the Group, as the Group does not have any puttable instruments.
- HK(IFRIC) – Int 13, “Customer loyalty programmes”, effective for annual periods beginning on or after 1 July 2008. This is not relevant to the Group, as the Group does not have any customer loyalty programmes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

4 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and trading of electronic products, plastic moulds, plastic and other components for electronic products. Revenues recognised during the period are as follows:

	Six months ended 30 June	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Turnover		
Sales of goods	228,378	300,416

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

(a) Primary reporting segment – business segment

During the interim period ("Period"), the Group has been operating in one single business segment, namely the manufacturing and trading of electronic products, plastic moulds, plastic and other components for electronic products.

(b) Secondary reporting segment – geographical segment

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

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

Revenue

	Six months ended 30 June	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
The United States	97,572	203,750
Hong Kong	72,367	54,829
Europe	29,590	23,049
People's Republic of China ("PRC")	7,585	9,766
Other countries	21,264	9,022
	228,378	300,416

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

Capital expenditure

	Six months ended 30 June	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong	727	158
PRC	5,536	8,960
	6,263	9,118

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

Total assets

	As at	
	30 June 2008	31 December 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Hong Kong	158,886	148,029
PRC	154,472	189,319
	313,358	337,348

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Amortisation of land use rights	25	25
Depreciation		
– Owned property, plant and equipment	6,981	6,192
– Leased property, plant and equipment	851	1,146
Staff costs (including directors' emoluments)	51,346	46,441
Cost of inventories sold	133,963	157,500
Provision for impairment of receivables	–	1,340
Impaired receivables written off	589	–
Operating leases on rented premises	5,739	5,281
Other expenses	34,492	39,760
	<hr/>	<hr/>
Total of cost of sales, distribution costs and administrative expenses	233,986	257,685

6 OTHER GAINS – NET

	Six months ended 30 June	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Gain on disposals of other financial assets		
at fair value through profit or loss	252	2,857
Fair value loss on other financial assets at fair value through profit or loss	–	(23)
Net foreign exchange loss	(484)	(1,091)
Gain on disposal of property, plant and equipment	145	–
Others	382	23
	<hr/>	<hr/>
	295	1,766

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 FINANCE COSTS – NET

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank loans and overdrafts	1,846	3,661
Interest element of finance leases	126	187
Total finance costs	1,972	3,848
Less: Interest income from bank deposits	(1,128)	(1,537)
Finance costs – net	844	2,311

8 INCOME TAX (CREDIT)/CHARGE

Hong Kong and overseas profits tax has been provided at the rate of 16.5% (2007: 17.5%) and at the rates of taxation prevailing in the countries in which the Group operates respectively.

	Six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
Hong Kong profits tax	370	7,420
PRC enterprise income tax (<i>Note a</i>)	1,403	1,329
Under-provision in prior years	30	–
Deferred taxation	(1,859)	–
Income tax (credit)/charge	(56)	8,749

Note:

- (a) PRC enterprise income tax has been calculated on the estimated assessable profits at the rates of taxation prevailing in the PRC. The Group has four principal subsidiaries operating in the PRC, namely Shenzhen Allcomm Electronic Co. Ltd. (“Shenzhen Allcomm”), Alltronics Tech. Mftg. Limited (“ATM”), Southchina Engineering and Manufacturing Limited (“Southchina”) and 南盈科技發展(深圳)有限公司(「南盈」). During the Period, Shenzhen Allcomm, ATM, Southchina and 南盈 were subject to a standard income tax rate of 18% (2007: 15%) in accordance with the relevant applicable tax laws. 南盈 is entitled to full exemption of PRC income tax for the two years ended 31 December 2005, followed by a 50% reduction of PRC income tax for the three years ending 31 December 2008.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 (LOSS)/EARNINGS PER SHARE

(a) Basic

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

	Six months ended 30 June	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
(Loss)/Profit attributable to equity holders of the Company	(6,341)	32,164
Weighted average number of ordinary shares in issue (<i>thousand</i>)	312,990	301,203
Basic (loss)/earnings per share (<i>HK cents per share</i>)	(2.0)	10.7

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares: share options. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the Period) 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.

	Six months ended 30 June	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
(Loss)/Profit attributable to equity holders of the Company	(6,341)	32,164
Weighted average number of ordinary shares in issue (<i>thousand</i>)	312,990	301,203
Adjustments for share options (<i>thousand</i>)	213	4,682
Weighted average number of ordinary shares for diluted earnings per share (<i>thousand</i>)	313,203	305,885
Diluted (loss)/earnings per share (<i>HK cents per share</i>)	(2.0)	10.5

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 INTERIM DIVIDEND

	Six months ended 30 June	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interim dividend proposed of HK\$Nil (2007: HK\$0.05) per ordinary share	—	15,635

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2008.

For the six months ended 30 June 2007, the Board of Directors recommended the payment of an interim dividend of HK\$0.05 each. The Interim Financial Information does not reflect the above proposed dividend as dividend payable but account for it as proposed dividend from the reserves. The declaration of the interim dividend for the six months ended 30 June 2007 was approved by the Board of Directors on 17 September 2007.

11 PROPERTY, PLANT AND EQUIPMENT

	<i>HK\$'000</i>
	(Audited)
Year ended 31 December 2007	
Opening net book amount as at 1 January 2007	56,061
Exchange differences	1,839
Additions	16,021
Disposals	(1,448)
Depreciation	(14,945)
Closing net book amount as at 31 December 2007	57,528
	(Unaudited)
Six months ended 30 June 2008	
Opening net book amount as at 1 January 2008	57,528
Exchange differences	2,221
Additions	6,263
Disposals	(115)
Depreciation	(7,832)
Closing net book amount as at 30 June 2008	58,065

The Group's buildings are situated in the PRC on a medium term lease. In 1998, the Group entered into an arrangement with two independent third parties for the development of certain manufacturing premises for the Group's use and staff quarters in Shenzhen and the Group's attributable interest in these buildings is 60%. These buildings are accounted for as jointly controlled assets of the Group. As at 30 June 2008, the net book value of the Group's share of these buildings amounted to approximately HK\$7,088,000 (As at 31 December 2007: HK\$7,174,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

	Land use rights
	<i>HK\$'000</i>
	(Audited)
<hr/>	
Year ended 31 December 2007	
Opening net book amount as at 1 January 2007	2,172
Amortisation charge	(50)
	<hr/>
Closing net book amount as at 31 December 2007	2,122
	<hr/>
	(Unaudited)
Six months ended 30 June 2008	
Opening net book amount as at 1 January 2008	2,122
Amortisation charge	(25)
	<hr/>
Closing net book amount as at 30 June 2008	2,097
	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 TRADE RECEIVABLES

	As at	
	30 June 2008	31 December 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade receivables	71,025	65,528
Less: provision for impairment of receivables	–	(1,012)
	71,025	64,516

The Group's sales to corporate customers are entered into on credit terms of up to 90 days, except for certain credit worthy customers to whom a longer credit period is allowed. The ageing analysis of trade receivables at the balance sheet dates is as follows:

	As at	
	30 June 2008	31 December 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
0 – 30 days	36,291	36,203
31 – 60 days	21,903	16,787
61 – 90 days	10,110	5,657
91 – 120 days	1,587	4,310
121 – 365 days	789	1,116
Over 365 days	345	1,455
	71,025	65,528

Trade receivables of HK\$589,000 (For the year ended 31 December 2007: HK\$1,012,000) were impaired during the Period. The movement in provision for impaired receivables has been included in administrative expenses in the condensed consolidated income statement.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	As at	
	30 June 2008 <i>HK\$'000</i> (Unaudited)	31 December 2007 <i>HK\$'000</i> (Audited)
0 – 30 days	21,995	24,154
31 – 60 days	18,171	19,777
61 – 90 days	2,942	5,649
91 – 120 days	369	941
121 – 365 days	948	587
Over 365 days	267	145
	44,692	51,253

15 SHARE CAPITAL

	Six months ended 30 June 2008		Year ended 31 December 2007	
	Number of shares	Amount <i>HK\$'000</i> (Unaudited)	Number of shares	Amount <i>HK\$'000</i> (Audited)
Authorised:				
Ordinary shares of HK\$0.01 each	10,000,000,000	100,000	10,000,000,000	100,000
Issued and fully paid:				
At 31 December 2007 and 30 June 2008	312,990,000	3,130	312,990,000	3,130

Note:

- (a) No share options were granted, exercised, cancelled or lapsed during the six months ended 30 June 2008 (For the year ended 31 December 2007: 12,990,000 options were exercised, 600,000 options were granted to certain employees and no share options were cancelled or lapsed).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 BORROWINGS

	As at	
	30 June 2008 HK\$'000 (Unaudited)	31 December 2007 HK\$'000 (Audited)
Bank loans, secured (<i>Note (a)</i>)	14,345	19,596
Obligations under finance leases (<i>Note (b)</i>)	3,569	4,831
Bills payable, secured	21,793	12,990
Trust receipt loans, secured	463	1,048
Bank overdrafts, secured	8,986	9,544
Total borrowings, wholly repayable within five years	49,156	48,009
Current portion of borrowings	(44,007)	(40,804)
Long-term borrowings	5,149	7,205

Details of the available banking facilities and securities given in respect of the above secured borrowings are set out in Note 17.

Notes:

(a) The Group's bank loans were repayable as follows:

	As at	
	30 June 2008 HK\$'000 (Unaudited)	31 December 2007 HK\$'000 (Audited)
Within one year	10,823	14,803
In the second year	2,862	3,187
In the third to fifth year	660	1,606
	14,345	19,596

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

- (b) The Group's finance lease liabilities were repayable as follows:

	As at	
	30 June 2008 <i>HK\$'000</i> (Unaudited)	31 December 2007 <i>HK\$'000</i> (Audited)
Within one year	2,102	2,660
In the second year	1,011	1,425
In the third to fifth year	698	1,142
	3,811	5,227
Future finance charges on finance leases	(242)	(396)
Present value of finance lease liabilities	3,569	4,831

The present value of finance lease liabilities is as follows:

	As at	
	30 June 2008 <i>HK\$'000</i> (Unaudited)	31 December 2007 <i>HK\$'000</i> (Audited)
Within one year	1,942	2,419
In the second year	949	1,313
In the third to fifth year	678	1,099
	3,569	4,831

17 BANKING FACILITIES

As at 30 June 2008, the Group's total available banking facilities amounted to approximately HK\$359 million (As at 31 December 2007: HK\$329 million). These facilities were secured by the following:

- (a) corporate guarantees given by the Company;
- (b) pledge of the Group's fixed deposits of approximately HK\$2.4 million (As at 31 December 2007: HK\$2.4 million);

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

- (c) available-for-sale financial assets held by the Group with carrying value of approximately HK\$3.4 million (As at 31 December 2007: HK\$3.5 million); and
- (d) The Group's trade receivables of HK\$3.3 million (As at 31 December 2007: HK\$2.0 million).

The banking facilities granted to a subsidiary, Southchina Engineering and Manufacturing Limited ("Southchina"), are guaranteed by personal guarantees given by a director, Mr. Lam Yin Kee, and other minority shareholders of Southchina.

18 COMMITMENTS

(a) Capital commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

	As at	
	30 June 2008 HK\$'000 (Unaudited)	31 December 2007 HK\$'000 (Audited)
Property, plant and equipment		
Contracted but not provided for	52	408
Authorised but not contracted for	–	–
	<u>52</u>	<u>408</u>

(b) Operating lease commitments

The Group leases various offices, warehouses and quarters under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at	
	30 June 2008 HK\$'000 (Unaudited)	31 December 2007 HK\$'000 (Audited)
Not later than one year	10,980	11,160
Later than one year and not later than five years	8,956	12,782
	<u>19,936</u>	<u>23,942</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 RELATED PARTY TRANSACTIONS

The Group is controlled by Profit International Holdings Limited (incorporated in the British Virgin Islands), which owns 67.1% of the Company's issued shares as at 30 June 2008. In the opinion of the Directors, Profit International Holdings Limited is the ultimate holding company of the Company.

- (a) Significant related party transactions, which were carried out in the normal course of the Group's business and at terms negotiated between the Group and the respective parties, were as follows:

		Six month ended 30 June	
		2008	2007
<i>Note</i>		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<hr/>			
Sales of goods and toolings to Maruman			
	Product Co. Limited ("Maruman")	9,196	809
	(i)		
Rental expense paid to Profit Home			
	Investments Limited	600	540
	(ii)		
<hr/>			

- (i) Maruman is a company incorporated in Japan and owned as to 24.7% by a director of the Company, Mr. Lam Yin Kee. Maruman is engaged in the business of trading of general merchandise.
- (ii) Ms. Yeung Po Wah, a director of the Company, is a shareholder and director of Profit Home Investments Limited and holds 60% of its issued share capital.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

- (b) Period/year end balances arising from the related parties transactions as disclosed in note (a) above were as follows:

		As at	
		30 June	31 December
		2008	2007
<i>Note</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Due from a related company	<i>(i)</i>	6,968	509
Due from ultimate holding company	<i>(ii)</i>	29	29
Due from minority shareholders of a subsidiary	<i>(ii)</i>	2,738	1,522

- (i) The amount due from Maruman, a related company, is aged less than one year and is unsecured, non-interest bearing and with normal credit terms of 60 days.
- (ii) The balances due from ultimate holding company and amounts due from minority shareholders of a subsidiary are unsecured, interest-free and repayable on demand.

- (c) **Key management compensation**

		Six months ended 30 June	
		2008	2007
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Salaries and other short-term employee benefits		6,996	5,380
Post-employment benefits		48	60
		7,044	5,440

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

20 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

- (a) On 1 August 2008, the Group has set up a wholly owned foreign investment enterprise, 陽江市華訊電子制品有限公司 (“陽江華訊”) in the PRC with a registered capital of US\$1,500,000. 陽江華訊 is engaged in the manufacturing of electronic product components. As of the date of this Interim Financial Information, US\$225,000 has been injected into 陽江華訊.
- (b) On 12 June 2008, the Group entered into a conditional sale and purchase agreement (“Agreement”) with Mr. Lam Yin Kee, a director of the Company, to acquire 51% equity interest in Dynamic Progress International Limited (“Dynamic”) from Mr. Lam Yin Kee.

The principal activity of Dynamic is the manufacturing of biodiesel in Hong Kong. The total consideration for the acquisition is HK\$50.8 million, which is subject to adjustment as described below.

Upon completion of the Agreement, the initial consideration of HK\$25.4 million, representing 50% of the total consideration, will be settled by the Group as to HK\$10 million in cash and HK\$15.4 million by the issuance and allotment of a total of 5,500,000 of the Company’s ordinary shares at HK\$2.8 per share.

The remainder of the consideration of HK\$25.4 million will be settled when the audited financial statements of Dynamic for the financial year ending 31 December 2009 are issued and subject to adjustment for any deductions made under the profit guarantee given by Mr. Lam Yin Kee.

If the 2009 net profit of Dynamic is HK\$15 million or above, the Group will settle the remainder of the consideration as to HK\$10 million in cash and HK\$15.4 million by the issuance and allotment of a total of 5,500,000 of the Company’s ordinary shares at HK\$2.8 per share.

If the 2009 net profit of Dynamic is less than HK\$15 million (but equal to or more than HK\$5 million), an amount equal to 51% of 5.33 times of the shortfall will be deducted from the remainder of the consideration as applied to the HK\$10 million cash portion first until it becomes zero and then to the last tranche of the 5,500,000 of the Company’s ordinary shares. The last tranche of the 5,500,000 of the Company’s ordinary shares and the HK\$10 million cash portion as reduced will be issued and paid by the Group accordingly. Where the consideration after such deduction is negative, the consideration will be deemed zero and Mr. Lam Yin Kee shall compensate the Group for an amount equal to such negative amount in cash.

If the 2009 net profit of Dynamic is less than HK\$5 million (or below zero when net loss is incurred), the Company will exercise the put option to sell back all the equity shares of Dynamic to Mr. Lam Yin Kee. The total exercise price of the put option is fixed at HK\$25.4 million and shall be settled by Mr. Lam Yin Kee in cash.

On 21 July 2008, an extraordinary general meeting of the Company was held and an ordinary resolution was passed to approve the acquisition.

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Review of Results

During the six months period ended 30 June 2008 (the “Period”), the Group was faced with a number of challenges. These challenges, most of them were out of the Group’s control, included the consistent appreciation of Renminbi (“RMB”) and weakening of United States (“US”) dollars, increases in wages pursuant to the new Labour Contract Law in the PRC, increases in global oil prices and raw material prices, and the general downturn in the US consumption and property market. As a result of these factors, the Group’s performance during the Period was adversely affected. The turnover and gross profit for the Period had dropped by 24.0% and 69.0% to HK\$228.4 million and HK\$24.5 million respectively. The Group had experienced a loss attributable to equity holders of the Company of HK\$6.3 million during the Period. This is the first time that the Group had suffered a loss since its formation.

During the Period, sales of electronic products amounted to HK\$162.6 million, representing a decrease of 35.0% compared to HK\$250.0 million for the same period in 2007. The decrease was due to the drop in sales to the US market, mainly as a result of the fall in demand for the Group’s irrigation controllers. On the other hand, demand for the Group’s components for electronic products remained strong with total sales of HK\$46.2 million for the Period, representing an increase of 46.5% compared to the same period in 2007. Sales of plastic components and moulds remained fairly stable at approximately HK\$19 million.

Gross Profit

The Group recorded a gross profit of HK\$24.5 million for the Period, with a gross profit margin of 10.7%. The gross profit and gross profit margin for the same period in 2007 were HK\$78.9 million and 26.3% respectively. The significant deterioration in gross profit and gross profit margin was due to increasing costs and expenses incurred during the Period as a result of price commitment made to customers. In other words, the Group failed to pass on the increased costs and expenses to its customers during the Period. The reduction in the proportion of sales of electronic products from 83.2% in 2007 to 71.2% for the Period had also lowered the overall gross profit margin of the Group as electronic products usually have a higher margin than other products.

Operating expenses

During the Period, distribution costs have dropped by 20.7% as a result of the reduced turnover. Administrative expenses have also decreased by HK\$5.5 million or 16.5% as a result of management effort to cut cost.

Net finance costs dropped by HK\$1.5 million as a result of reduction in bank loan balances and obligations under finance leases during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Net loss

The Group had a loss of HK\$6.1 million for the Period due to the significant drop in gross profit margin as explained above.

LIQUIDITY AND FINANCIAL INFORMATION

The liquidity position of the Group remained healthy as at 30 June 2008. Most of the Group's liquid fund is placed as deposits at various banks. As at 30 June 2008, the total amount of cash and cash equivalents of the Group was HK\$61.5 million, compared to HK\$104.6 million as at 31 December 2007. The drop was mainly due to funds used to finance the operations of the Group during the Period and the payment of final dividend of HK\$12.5 million for the year 2007. As at 30 June 2008, bank deposits of HK\$2.4 million were pledged to banks as securities for banking facilities granted to Southchina. The total bank and other borrowings as at 30 June 2008 amounted to HK\$49.2 million, representing a slight increase of HK\$1.1 million when compared to 31 December 2007.

As at 30 June 2008, the gearing ratio, representing total borrowings excluding trade debts divided by equity attributable to equity holders of the Company, was 14.5% compared to 16.7% as at 31 December 2007. The lower gearing ratio is due to repayment of bank loans and obligations under finance leases during the Period.

The current ratio (current assets divided by current liabilities) as at 30 June 2008 was 2.0, which has reduced slightly from 2.2 as at 31 December 2007.

Most of the Group's sales are denominated in United States dollars and Hong Kong dollars and most of the purchases of raw materials are denominated in United States dollars, Hong Kong dollars and Renminbi. Furthermore, as most of the Group's monetary assets are denominated in Hong Kong dollars, United States dollars and Renminbi, the exchange rate risk of the Group for the time being is not considered to be significant.

However, in view of the consistent appreciation in the value of Renminbi, the management is considering making arrangement to hedge against fluctuation in the value of Renminbi. Other than this, it is not necessary for the Group to have any kind of financial instruments for hedging purposes or to adopt any formal hedging policy.

MANAGEMENT DISCUSSION AND ANALYSIS

CASH FLOWS

Net cash outflow from operating activities for the Period was HK\$20.3 million. This is mainly due to the funds used to finance the operations during the Period and the increases in trade receivables and amount due from a related company. In addition, HK\$6.3 million had been used for the acquisition of property, plant and equipment, HK\$10.6 million had been used to repay bank loans, HK\$1.3 million had been used to repay obligations under finance leases and HK\$12.5 million had been used to pay for the 2007 final dividend. New bank loans obtained by the Group during the Period were HK\$5.3 million. The net decrease in cash and cash equivalents for the Period was HK\$43.2 million. Cash and cash equivalents, net of bank overdrafts, as at 30 June 2008 amounted to HK\$52.5 million, which were mainly denominated in US dollars, Hong Kong dollars and Renminbi.

The Group has maintained an adequate level of cash flows for its business operations and capital expenditures.

CAPITAL EXPENDITURE

During the Period, the Group acquired property, plant and equipment at a total cost of HK\$6.3 million to further enhance and upgrade its production capacity. These capital expenditures were financed by internal resources of the Group.

PLEDGE OF ASSETS

As at 30 June 2008, bank loans of approximately HK\$3.3 million were secured by trade receivables of approximately HK\$3.3 million. Except as disclosed above, the Group's banking facilities were secured by corporate guarantees given by the Company, fixed deposits of approximately HK\$2.4 million and available-for-sale financial assets with carrying value of approximately HK\$3.4 million. The banking facilities granted to a subsidiary are secured by personal guarantees given by a director, Mr. Lam Yin Kee and other minority shareholders of that subsidiary.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES

As at 30 June 2008, the Group had a total of 3,407 employees, of which 73 of them were employed in Hong Kong and 3,334 of them were employed in the PRC. Salaries of employees are maintained at competitive levels. Other employee benefits include provident fund and options granted under the Share Option Scheme (as defined below).

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme for all of its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulation of the PRC. The Group also offers discretionary bonuses to its employees by reference to individual performance and the performance of the Group.

PROSPECTS

Management expects that the global economic environment and the operating conditions for its manufacturing facilities in the PRC will remain to be tough for the rest of 2008. However, management is cautiously optimistic in its performance for 2009. The Group has focused on ways to cut costs and to streamline its organizational structure during the Period so as to put itself in a better position to meet all challenges and adverse factors. The full effect for these changes and strategies will lead to more efficiency and better performance in the second half of 2008 and in 2009 onward. Furthermore, the Group has negotiated with most of its customers to raise the selling prices for its products. The recent decrease in the oil and commodity prices may also mean a corresponding decrease in the prices of raw materials for the Group's production. Management therefore has strong confidence that the performance in the second half of the year will show some improvement in terms of turnover and gross profit.

The Group has maintained excellent business relationships with its major customers and is in negotiations with various potential new customers in order to expand its customer base and global sales network. The Group will continue to make prudent investments in research and development to meet customers' needs and to develop new products. Management expects the electronic products business to regain its growth momentum in 2009 or early 2010.

Regarding the component products business, management expects their demand will remain strong. In order to cope with the increasing orders from customers, the Group has set up a new factory in Yangxi (陽西), the PRC. The new factory has commenced operations in August 2008. The wages rate and production overhead at the Yangxi factory are comparatively lower than those of the Group's existing factory at Shenzhen, the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has recently acquired a 51% equity interest in Dynamic Progress International Limited (“Dynamic”). Dynamic is engaged in biodiesel business with manufacturing facilities in Hong Kong. It is the first and currently the only company in Hong Kong with all relevant licences granted by the government to engage in the manufacturing of biodiesel in Hong Kong. Management believes that the acquisition is a step forward in diversification of the Group’s income stream and in turn broadens the sources of the Group’s revenue and a key development in the Group’s business strategy. Management also expects that the demand for biodiesel in Hong Kong will grow rapidly and Dynamic will bring additional earnings and long term value to the Group. As Dynamic is still in its preliminary stage of production, its earnings contribution to the Group for the current year will not be significant. However, management expects that the contribution from Dynamic will increase steadily and may eventually become the major source of income for the Group in the future.

SHARE OPTION

Pursuant to a written resolution of the shareholders of the Company passed on 22 June 2005, a share option scheme (the “Share Option Scheme”) was approved and adopted. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentive or rewards for their contributions or potential contributions to the Group.

The Share Option Scheme shall be valid and effective for a period of 10 years commencing from 22 June 2005, being the date on which the Share Option Scheme was adopted.

Details of the share options granted and a summary of the movements of the outstanding share options during the Period are as follows:

	Number of share options					Exercise price per share (HK\$)
	Held at 1 January 2008	Granted during the Period	Exercised during the Period	Cancelled or lapsed during the Period	Held at 30 June 2008	
Directors	-	-	-	-	-	
Other employees (Note 1)	510,000	-	-	-	510,000	1.11
Other employees (Note 2)	600,000	-	-	-	600,000	2.94
	1,110,000	-	-	-	1,110,000	

Notes:

- (1) These share options were granted on 27 September 2006 with an exercisable period of two years from 27 September 2006 to 26 September 2008. There are no vesting periods for these share options. The closing market price per share at the date preceding the date on which the share options were granted was HK\$1.13.
- (2) These share options were granted on 6 July 2007 with an exercisable period of two years from 6 July 2007 to 5 July 2009. There are no vesting periods for these share options. The closing market price per share at the date preceding the date on which the share options were granted was HK\$2.94.
- (3) During the six months ended 30 June 2008, no share options were granted, exercised, cancelled or lapsed.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 30 June 2008, the interests and short positions of each Director and Chief Executive in the shares and underlying shares of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules were as follows:

(a) **Ordinary shares of HK\$0.01 each of the Company**

		Number of shares held			Total	% of the issued share capital of the Company
		Personal interests	Family interests	Corporate interests		
Mr. Lam Yin Kee	Long positions	12,344,000 (Note 1)	-	210,000,000 (Note 2)	222,344,000	71.04
Ms. Yeung Po Wah	Long positions	-	222,344,000 (Note 3)	-	222,344,000	71.04
Mr. Toshio Daikai	Long positions	1,101,000 (Note 4)	-	-	1,101,000	0.35

Notes:

- (1) These shares comprise 1,344,000 shares that are beneficially owned by Mr. Lam Yin Kee and the aggregate of 11,000,000 shares that are to be allotted and issued to Mr. Lam Yin Kee as part of the consideration for the acquisition of 51% equity interest in Dynamic.
- (2) These shares are owned by Profit International Holdings Limited, a company incorporated in the British Virgin Islands and is owned as to 95% by Mr Lam Yin Kee and 5% by Ms Yeung Po Wah. Ms Yeung Po Wah is an executive Director of the Company and the spouse of Mr Lam Yin Kee.
- (3) As the spouse of Mr. Lam Yin Kee, Ms. Yeung Po Wah is taken to be interested in the 12,344,000 shares owned by Mr. Lam Yin Kee and the 210,000,000 shares owned by Profit International Holdings Limited.
- (4) These shares are beneficially owned by Mr. Toshio Daikai.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

(b) Interests in associated corporation, Profit International Holdings Limited (Ordinary shares of US\$1 each)

		Number of shares held				% of the issued share capital of the associated corporation
		Personal interests	Family interests	Corporate interests	Total	
Mr. Lam Yin Kee	Long positions	950	-	-	950	95.00
Ms. Yeung Po Wah	Long positions	50	-	-	50	5.00

Saved as disclosed above, at no time during the year, the Directors and Chief Executives (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and its associated corporations required to be disclosed pursuant to the SFO.

Other than those interests and short positions disclosed above, the Directors and Chief Executives also hold shares of certain subsidiaries solely for the purpose of ensuring that the relevant subsidiary has more than one member.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that at 30 June 2008, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

(a) Long positions in the shares and underlying shares of the Company

Name	Number of shares			% of the issued share capital of the Company
	Personal interests	Nature of interest	Total	
Profit International Holdings Limited	210,000,000	Beneficially owned	210,000,000	67.09
Galaxy China Opportunities Fund	32,886,000	Beneficially owned	32,886,000	10.51

(b) Short positions in the shares and underlying shares of the Company

Name	Number of shares			% of the issued share capital of the Company
	Personal interests	Nature of interest	Total	
Galaxy China Opportunities Fund	4,000,000	Beneficially owned	4,000,000	1.21

Save as disclosed above and so far as the Directors and Chief Executives of the Company are aware of, at 30 June 2008, there were no other person, other than the Directors or Chief Executives of the Company, who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company in accordance with the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

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 Period and up to the date of this report, in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except for the deviation as mentioned below.

Code Provision A.2.1 stipulates that the role of chairman and chief executive should be separated and 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 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 Period.

AUDIT COMMITTEE

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 comprises three Independent Non-executive Directors, namely Mr. Barry John Buttifant (chairman), Mr. Leung Kam Wah and Ms. Yeung Chi Ying.

The Interim Financial Information has been reviewed by the Audit Committee at a meeting held on 23 September 2008, which was of the opinion that the Interim Financial Information complied with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

REMUNERATION COMMITTEE

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. Lam Yin Kee and other current members include Ms. Yeung Po Wah, Mr. Barry John Buttifant, Mr. Leung Kam Wah and Ms. Yeung Chi Ying.

SUPPLEMENTARY INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Period.

PUBLICATION OF INTERIM REPORT

The electronic version of this report will be published on the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and our Company's website (<http://www.irasia.com/listco/hk/alltronics/index.htm>).

APPRECIATION

The Board would like to thank the Company's shareholders and the Group's business partners for their continuous support and to extend its sincere appreciation to all of the Group's management and staff for their dedication and contribution throughout the Period.

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

Hong Kong, 25 September 2008

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

Executive Directors

Mr. Lam Yin Kee, Ms. Yeung Po Wah, Mr. Toshio Daikai and Mr. So Kin Hung

Non-executive Director

Mr. Fan, William Chung Yue

Independent Non-executive Directors

Mr. Barry John Buttifant, Mr. Leung Kam Wah and Ms. Yeung Chi Ying

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. LAM Yin Kee (*Chairman*)

Ms. YEUNG Po Wah

Mr. Toshio DAIKAI

Mr. SO Kin Hung

Non-executive Director

Mr. FAN, William Chung Yue

Independent Non-executive Directors

Mr. Barry John BUTTIFANT

Mr. LEUNG Kam Wah

Ms. YEUNG Chi Ying

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Shau Kei Wan

Hong Kong

COMPANY SECRETARY

Mr. LEUNG Fuk Cheung

STOCK CODE

833

INDEPENDENT AUDITOR

PricewaterhouseCoopers

AUDIT COMMITTEE

Mr. Barry John BUTTIFANT (*Chairman*)

Mr. LEUNG Kam Wah

Ms. YEUNG Chi Ying

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited

Hang Seng Bank Limited

Standard Chartered Bank (Hong Kong) Limited

SHARE REGISTRARS AND TRANSFER OFFICE

In Hong Kong

Tricor Tengis Limited

26/F, Tesbury Centre

28 Queen's Road East

Hong Kong

In Cayman Islands

Butterfield Fund Services (Cayman) Limited

P. O. Box 705

Butterfield House

68 Fort Street, George Town

Grand Cayman, Cayman Islands

WEBSITES

<http://www.irasia.com/listco/hk/alltronics/index.htm>

<http://www.alltronics.com.hk>