



Alltronics Holdings Limited 華訊股份有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 833

Interim Report **2017**



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INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

	Notes	For the six months ended 30 June	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
REVENUE	4	675,543	471,075
Cost of sales		(463,702)	(377,068)
Gross profit		211,841	94,007
Distribution costs		(8,101)	(3,997)
Administrative expenses		(67,486)	(47,527)
Other operating (expenses)/income, net		(3,847)	2,996
Operating profit		132,407	45,479
Share of losses of associates - net		(690)	(315)
Finance costs	6	(55,930)	(4,439)
PROFIT BEFORE TAX	5	75,787	40,725
Income tax expense	7	(14,994)	(9,138)
PROFIT FOR THE PERIOD		60,793	31,587
Attributable to:			
Owners of the Company		57,111	29,210
Non-controlling interests		3,682	2,377
		60,793	31,587
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
– Basic		HK6.04 cents	HK3.61 cents
– Diluted		HK6.04 cents	HK3.61 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	60,793	31,587
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	5,233	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	5,233	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	66,026	31,587
Attributable to:		
Owners of the Company	62,223	29,210
Non-controlling interests	3,803	2,377
	66,026	31,587

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	223,683	227,449
Investment properties	13	2,130,180	–
Prepaid land lease payments	11	1,645	1,670
Goodwill	12	11,672	11,672
Investments in associates		29,817	30,507
Prepayments, deposits and other receivables		21,744	20,567
Long term receivables	14	1,789	3,541
Deferred tax assets		2,251	1,859
Total non-current assets		2,422,781	297,265
CURRENT ASSETS			
Inventories	15	222,940	210,799
Trade receivables	16	202,038	185,101
Long term receivables – current portion	14	18,414	19,673
Prepayments, deposits and other receivables		163,115	33,987
Financial assets at fair value through profit or loss		–	427
Pledged deposits	17	8,709	8,698
Cash and cash equivalents	17	224,853	333,629
Total current assets		840,069	792,314

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
CURRENT LIABILITIES			
Trade and bills payables	18	197,632	202,137
Other payables and accruals		87,265	63,069
Deferred revenue		1,047	1,385
Tax payable		12,471	8,333
Interest-bearing bank and other borrowings	19	513,550	325,738
Total current liabilities		811,965	600,662
NET CURRENT ASSETS			
		28,104	191,652
TOTAL ASSETS LESS CURRENT LIABILITIES			
		2,450,885	488,917
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	19	1,497,141	1,097
Deferred revenue		591	1,054
Deferred tax liabilities		442,526	115
Total non-current liabilities		1,940,258	2,266
Net assets			
		510,627	486,651
EQUITY			
Equity attributable to owners of the Company			
Issued capital	20	9,461	5,256
Reserves		502,428	486,460
		511,889	491,716
Non-controlling interests			
		(1,262)	(5,065)
Total equity			
		510,627	486,651

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

Attributable to owners of the Company

	Issued capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Capital reserve (Unaudited) HK\$'000	Statutory reserve (Unaudited) HK\$'000	Exchange reserve (Unaudited) HK\$'000	Capital redemption reserve (Unaudited) HK\$'000	Retained earnings (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Non-controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
At 1 January 2017	5,256	281,593	5,799	16,714	(12,158)	42	194,470	491,716	(5,065)	486,651
Profit for the period	-	-	-	-	-	-	57,111	57,111	3,682	60,793
Other comprehensive income for the period:										
Exchange differences related to foreign operations	-	-	-	-	5,112	-	-	5,112	121	5,233
Total comprehensive income for the period	-	-	-	-	5,112	-	57,111	62,223	3,803	66,026
Bonus issue of shares (note 20)	4,205	(4,205)	-	-	-	-	-	-	-	-
Final dividend related to 2016	-	-	-	-	-	-	(42,050)	(42,050)	-	(42,050)
At 30 June 2017	9,461	277,388	5,799	16,714	(7,046)	42	209,531	511,889	(1,262)	510,627
At 1 January 2016	4,496	169,614	5,799	12,835	6,128	42	171,553	370,467	(9,053)	361,414
Profit for the period	-	-	-	-	-	-	29,210	29,210	2,377	31,587
Total comprehensive income for the period	-	-	-	-	-	-	29,210	29,210	2,377	31,587
Final dividend related to 2015	-	-	-	-	-	-	(22,481)	(22,481)	-	(22,481)
At 30 June 2016	4,496	169,614	5,799	12,835	6,128	42	178,282	377,196	(6,676)	370,520

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	Notes	For the six months ended 30 June	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		75,787	40,725
Adjustments for:			
Amortisation of non-current prepayments	5	1,434	1,587
Amortisation of prepaid land lease payments	11	25	25
Finance costs	6	55,930	4,439
Finance income		(1,346)	(1,089)
Share of losses of associates – net		690	315
Loss on disposal of property, plant and equipment	5	1	696
Depreciation	10	8,417	7,844
Net loss from a fair value adjustment of investment properties	13	2,762	–
Gain from bargain purchase	21	(6,263)	–
Realised gain on disposal of equity investments at fair value through profit or loss	5	(5)	–
Fair value loss on equity investments at fair value through profit or loss	5	–	42
Fair value gain on derivative instruments-transactions not qualifying as hedges	5	–	(3,876)
		137,432	50,708
(Increase)/decrease in inventories		(12,141)	38,723
Increase in trade receivables		(18,196)	(24,343)
Decrease/(increase) in long term receivables		1,752	(1,447)
(Increase)/decrease in prepayments, deposits and other receivables		(95,564)	894
(Decrease)/increase in deferred revenue		(338)	629
Decrease in trade and bills payables		(4,505)	(12,812)
Increase in other payables and accruals		35,103	132
Increase/(decrease) in trust receipt loans		137	(808)
Non-current prepayments paid		–	(310)
Cash generated from operations		43,680	51,366
Interest received		1,346	1,089
Interest paid		(5,013)	(4,439)
Income taxes paid		(12,744)	(7,158)
Net cash flows from operating activities		27,269	40,858

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	Notes	For the six months ended 30 June	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(4,080)	(94,850)
Proceeds from disposal of items of property, plant and equipment		347	272
Increase in prepayment for non-current assets		(2,611)	(372)
Increase in pledged bank deposits		(11)	(1,011)
Proceeds from acquisition consideration	21	1,720	-
Net cash flows used in investing activities		(4,635)	(95,961)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital element of finance lease payments		(473)	(559)
Dividends paid	8	(42,050)	(22,481)
New bank and other borrowings		3,000	104,500
Repayment of bank and other borrowings		(43,771)	(16,103)
Interest paid		(50,917)	-
Decrease in amount due from non-controlling shareholders of a subsidiary		-	7
Net cash flows (used in)/from financing activities		(134,211)	65,364
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS			
		(111,577)	10,261
Cash and cash equivalents at beginning of period		329,868	196,776
Effect of foreign exchange rate changes, net		4,442	6
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
		222,733	207,043
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position	17	224,853	209,804
Bank overdrafts, secured		(2,120)	(2,761)
Cash and cash equivalents as stated in the statement of cash flows			
		222,733	207,043

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP 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 Company is an investment holding company. 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 trading of biodiesel products, the provision of energy saving business solutions and operation of investment properties. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 July 2005.

The Group is controlled by Profit International Holdings Limited (incorporated in the British Virgin Islands), which owns 46.48% of the Company’s issued shares as at 30 June 2017 (At 31 December 2016: 46.48%). In the opinion of the directors, the Company’s ultimate holding company is Profit International Holdings Limited and the ultimate controlling party is Mr. Lam Yin Kee.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2017 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2016.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016, except for the adoption of the revised standards as of 1 January 2017, noted below:

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Annual Improvements 2014-2016 Cycle	<i>Amendments to a number of HKFRSs</i>

The adoption of the revised Hong Kong Financial Reporting Standards ("HKFRSs") has had no significant financial effect on the interim condensed consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors ("Directors") of the Company that are used to make strategic decisions and assess performance.

For the six months ended 30 June 2017, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide.

The Group considers the business from both a geographic and 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 trading of biodiesel products in Hong Kong;
- (iii) the energy saving business segment – the provision of energy saving business solutions to customers; and
- (iv) the investment properties segment – the provision of property rental services to customers.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (Continued)

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 interest and tax and unallocated operating costs). Other information provided is measured in a manner consistent with that in the interim condensed consolidated financial statements.

All sales between segments are 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 interim condensed consolidated financial statements.

Six months ended 30 June 2017 (Unaudited)

	Electronic products HK\$'000	Biodiesel products HK\$'000	Energy saving business HK\$'000	Investment properties HK\$'000	Total HK\$'000
Segment revenue:					
Sales of goods	595,817	1,871	69	-	597,757
Revenue from services	-	-	665	-	665
Rental income	-	-	-	77,121	77,121
Total revenue	595,817	1,871	734	77,121	675,543

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (Continued) Six months ended 30 June 2016 (Unaudited)

	Electronic products HK\$'000	Biodiesel products HK\$'000	Energy saving business HK\$'000	Total HK\$'000
Segment revenue:				
Sales of goods	465,407	1,862	3,047	470,316
Revenue from services	–	–	759	759
Total revenue	465,407	1,862	3,806	471,075

Geographical information

Revenue from external customers

	For the six months ended 30 June 2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
The United States	294,340	268,837
Hong Kong	149,259	72,828
Europe	87,659	92,910
Mainland China	128,173	27,745
Other countries	16,112	8,755
	675,543	471,075

The revenue information above is based on the locations of the customers.

For the six months ended 30 June 2017, revenues of approximately HK\$226,096,000 (2016: HK\$203,835,000) were derived from a single external customer. These revenues were attributable to the electronic products segment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. PROFIT BEFORE TAX

The Group's profit before tax has been arrived at after charging/(crediting):

	Notes	For the six months ended 30 June	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Cost of inventories sold and services provided		311,335	258,433
Auditors' remuneration		1,073	1,565
Depreciation	10	8,417	7,844
Amortisation of non-current prepayments		1,434	1,587
Amortisation of prepaid land lease payments	11	25	25
Written off/(back) of inventories to net realisable value		1,910	(226)
Wages and salaries (including directors' emoluments)		103,744	94,190
Loss on disposal of property, plant and equipment		1	696
Foreign exchange differences, net		7,374	(762)
Net loss from a fair value adjustment of investment properties		2,762	–
Gain from bargain purchase		(6,263)	–
Realised loss on derivative instruments – net		–	2,410
Fair value gain on derivative instruments – transactions not qualifying as hedges		–	(3,876)
Operating lease payments on rented premises		7,622	8,136
Realised gain on disposal of equity investments at fair value through profit or loss		(5)	–
Fair value loss on equity investments at fair value through profit or loss		–	42
Interest income from bank deposits		(562)	(477)
Interest income from long term receivables		(784)	(612)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Interest on bank loans and bank overdrafts	55,893	4,400
Interest element of finance leases	37	39
Total finance costs	55,930	4,439

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. Subsidiaries in Mainland China are subject to income tax rate of 25% on tax profits generated in Mainland China.

	For the six months ended 30 June	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Current income tax expense		
– Hong Kong	4,949	3,564
– Mainland China	11,933	5,868
Deferred income tax credit	(1,888)	(294)
Total tax expense for the period	14,994	9,138

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. DIVIDENDS

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
2016 final dividend – HK8 cents (2015: HK5 cents) per ordinary share	42,050	22,481

A final dividend of HK8 cents per ordinary share for the year ended 31 December 2016 has been approved by the shareholders at the Annual General Meeting of the Company held on 1 June 2017.

On 29 August 2017, the board of directors (the "Board") of the Company proposed and declared the payment of an interim dividend of HK3 cents per ordinary share for the six months ended 30 June 2017 (For the six months ended 30 June 2016: HK5 cents per ordinary share), the dividend will be paid on or about 12 October 2017, to the shareholders whose names appear on the register of members of the Company on 22 September 2017.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 946,116,360 (2016: 809,316,360) in issue during the period. The weighted average number of ordinary shares is adjusted to reflect the effect of 420,496,160 bonus shares issued by the Company on the basis of eight bonus shares for every ten shares held by the shareholders on 9 June 2017. The issue of the bonus shares was completed on 23 June 2017. The weighted average number of ordinary shares in issue for the prior period was restated on the assumption that the bonus issue had been in place in the prior period.

The Group had no potential dilutive ordinary shares in issue for the six months ended 30 June 2017 and 2016.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
As at 1 January 2017/1 January 2016	227,449	37,548
Exchange realignment	907	(2,514)
Additions	3,870	209,307
Acquisition of subsidiaries (note 21)	222	–
Disposals	(348)	(1,106)
Depreciation provided during the period/year	(8,417)	(15,786)
As at 30 June 2017/31 December 2016	223,683	227,449

As at 30 June 2017, the aggregate cost and accumulated depreciation of property, plant and equipment held by the Group under finance leases amounted to HK\$2,630,000 (31 December 2016: HK\$4,882,000) and HK\$1,118,000 (31 December 2016: HK\$2,398,000), respectively. The lease terms are between 4 and 5 years.

At 30 June 2017, the Group's leasehold property with a carrying amount of approximately HK\$183,000,000 (31 December 2016: HK\$186,000,000) was pledged as security for the Group's bank loans, as further detailed in note 19 (b) to the financial statements.

11. PREPAID LAND LEASE PAYMENTS

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
As at 1 January 2017/1 January 2016	1,670	1,720
Amortisation charge	(25)	(50)
As at 30 June 2017/31 December 2016	1,645	1,670

The Group's leasehold land is situated in Shenzhen and is held under a medium term lease.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. GOODWILL

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
As at 1 January 2017/1 January 2016	11,672	11,672
Impairment for the period/year	–	–
As at 30 June 2017/31 December 2016	11,672	11,672

13. INVESTMENT PROPERTIES

	Note	30 June 2017 (Unaudited) HK\$'000
Carrying amount at 1 January 2017		–
Acquisition from business combination	21	2,132,942
Net loss from a fair value adjustment recognised in other operating expense in profit or loss		(2,762)
Net carrying amount as at 30 June 2017		2,130,180

The Group's investment properties are held under long term leases and are situated in Beijing, Mainland China. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 22(b).

Details of the Group's investment properties pledged to secure the Group's interest-bearing bank loans are set out in note 19.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. INVESTMENT PROPERTIES (Continued)

All investment properties were revalued at the end of the period based on valuations performed by the independent qualified valuer, LCH (Asia-Pacific) Surveyors Limited, being an industry specialist in investment property valuation with appropriate qualification and experience. The valuation for completed investment properties was arrived at by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties, where appropriate, by reference to market evidence of transaction prices for the similar properties in the same locations and conditions.

As at the date of this report, the Group has obtained the real estate certificates for all the above investment properties.

Fair value hierarchy

Recurring fair value measurement for:	Fair value measurement as at the end of each reporting period using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
As at 30 June 2017				
Commercial properties	–	–	2,130,180	2,130,180

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. At 30 June 2017, all the Group's investment properties were categorised as Level 3 fair value hierarchy.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. INVESTMENT PROPERTIES (Continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Investment properties HK\$'000
Carrying amount at 24 January 2017 ("Acquisition Date" in note 21)	2,132,942
Net loss from a fair value adjustment	(2,762)
Carrying amount at 30 June 2017	2,130,180

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques	Significant unobservable inputs	Range or weighted average As at 30 June 2017
Commercial properties	Income approach in particular, Term and Reversionary ("T&R") Method	Term Yields Market Yields	6.5% 6.5%

The T&R Method measures the value of the properties as the total of term value and reversionary value, which have taken into account the rental income derived from the existing leases with due allowance for the reversionary income potential of the leases. The term value was estimated based on the existing rents and tenancy periods as stated in the lease agreements and the term yields during the term periods. The reversionary value was estimated based on the market rents of the properties, market yields and the reversionary periods which were estimated as the periods from the expiration dates of the existing tenancies to the end of land use right.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. INVESTMENT PROPERTIES (Continued)

The term yields were developed based on an independent research on the sales and rental evidences of the comparable properties in the market and the consideration of lower risk exposure during the term periods. The market yields were developed based on the research on the sales and rental evidences of the properties in Beijing market. The market rents were estimated based on the market rents of comparable properties in the neighborhood and with reference to the term rents of the last tenancy periods.

During the six months ended 30 June 2017, the Group has recorded a loss in fair value of investment properties in the amount of approximately HK\$2.76 million. The decrease in fair value of investment properties was due to the decrease of future rental income, since the T&R Method considers the rental receivable from the lease agreements existed as at the valuation date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. LONG TERM RECEIVABLES

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Non-current long term receivables		
Gross receivables	2,387	4,739
Less: unearned income	(598)	(1,198)
	1,789	3,541
Current long term receivables		
Gross receivables	20,377	21,430
Less: unearned income	(1,963)	(1,757)
	18,414	19,673
Long term receivables:		
No later than 1 year	18,414	19,673
Later than 1 year and no later than 5 years	1,789	3,541
Total current and non-current receivables	20,203	23,214

Long term receivables represent the present value of the income receivables under energy management contracts. The difference between the gross receivables and the present value of the receivables is recognised as unearned income.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. INVENTORIES

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Raw materials	123,614	104,882
Work in progress	65,399	62,234
Finished goods	47,240	55,086
	236,253	222,202
Provision against slow-moving and obsolete inventories	(13,313)	(11,403)
	222,940	210,799

16. TRADE RECEIVABLES

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Trade receivables	202,038	185,101
Less: Provision for impairment of receivables	–	–
	202,038	185,101

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 90 days. As at 30 June 2017, the Group's largest customer accounted for approximately 15.7% of total trade receivables (31 December 2016: 13.6%). This customer has long term trading relationship with the Group with no defaults in the past and hence the Group does not consider there is any significant credit risk in this regard. The Group's other trade receivables related to a large number of diverse customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivable are non-interest-bearing.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. TRADE RECEIVABLES (Continued)

An aged analysis of trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Within 30 days	111,833	114,290
31 to 60 days	47,042	45,204
61 to 90 days	17,513	18,825
Over 90 days	25,650	6,782
Total	202,038	185,101

17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Cash and bank balances	171,822	264,702
Time deposits	61,740	77,625
Less: Pledged time deposits for bank and other borrowings (note 19(b))	(8,709)	(8,698)
Cash and cash equivalents	224,853	333,629

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") and kept in banks in the People's Republic of China (the "PRC") amounted to HK\$52,431,000 (31 December 2016: HK\$32,315,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of 3 to 6 months depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. TRADE AND BILLS PAYABLES

The aging analysis of trade and bills payables as at the end of the reporting period, based on the invoice date, is as follow:

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Within 30 days	106,870	92,201
31 to 60 days	54,912	79,553
61 to 90 days	28,390	20,182
Over 90 days	7,460	10,201
Total	197,632	202,137

Trade payables are non-interest bearing and are normally settled on 30 – 90 day terms.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2017 (Unaudited)			31 December 2016 (Audited)		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Current						
Bank overdraft, secured	Prime rate	On demand	2,120	0-1 over prime rate	On demand	3,761
Trust receipt loans, secured	2-2.25 over HIBOR	On demand	1,669	2-2.25 over HIBOR	On demand	1,532
Bank loans, secured	1.55-3 over HIBOR or 6-8	On demand	308,196	1.55-3 over HIBOR	On demand	82,913
Bank loans, unsecured	1-3.5 over HIBOR	On demand	201,025	1-3.5 over HIBOR	On demand	236,792
Finance lease payables	3-5	2018	540	3-5	2017	740
			<u>513,550</u>			<u>325,738</u>
Non-current						
Finance lease payables	3-5	2019	824	3-5	2019	1,097
Bank loans, secured	6-8	2020	1,496,317			–
			<u>2,010,691</u>			<u>326,835</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

- (a) The Group's bank overdraft, trust receipt loans and bank loans were due for repayment as follows:

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Within one year	406,776	202,835
In the second year	271,663	51,519
In the third to fifth years	1,330,888	70,644
	2,009,327	324,998

The amounts due are based on the scheduled repayment dates set out in the loan agreements without considering repayment on demand clause.

The interest-bearing bank borrowings, including the bank loans repayable on demand, are carried at amortised cost. None of the portion of term loans due for repayment after one year which contains a repayment on demand clause and that is classified as a current liability is expected to be settled within one year.

Some of the banking facilities are subject to the fulfillment of covenants relating to certain of the Company's, the Group's and the subsidiaries' statement of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the drawn down facilities would become repayable on demand. In addition, certain of the Group's bank loan arrangements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitor its compliance with these covenants, are up to date with the scheduled repayments of the bank loans and do not consider it probable that the respective banks will exercise their discretion to demand repayment for so long as the Group continue to meet these requirements. During the six months ended 30 June 2017, none of the lenders had exercised their rights to demand immediate repayment of drawn down facilities, either at their sole discretion or due to any breach of covenants.

At the end of the reporting period, the interest-bearing bank and other borrowings of the Group denominated in RMB and was repayable to banks in the PRC amounted to HK\$ 1,726,519,000 (31 December 2016: Nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

- (b) The bank and other borrowings were secured by the followings:
- (i) the pledge of the Group's fixed deposits denominated in HK\$ of approximately HK\$6.7 million (31 December 2016: HK\$6.7 million) and bank deposits denominated in US\$ of approximately HK\$2 million (31 December 2016: HK\$2 million);
 - (ii) the Group's investment properties in the PRC of HK\$2,130 million (31 December 2016: Nil);
 - (iii) the Group's leasehold property in Hong Kong of HK\$183 million (31 December 2016: HK\$186 million); and
 - (iv) the banking facilities granted to a subsidiary, Southchina Engineering and Manufacturing Limited, were also secured by personal guarantees given by its non-controlling shareholders.

As at 30 June 2017, the Group's total available banking facilities amounted to approximately HK\$2,399 million (31 December 2016: HK\$673 million), of which approximately HK\$390 million (31 December 2016: HK\$344 million) was unutilised.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

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

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Within one year	581	800
In the second year	581	582
In the third to fifth years	266	556
	1,428	1,938
Future finance charges on finance leases	(64)	(101)
	1,364	1,837
The present value of finance lease liabilities is as follows:		
Within one year	540	740
In the second year	561	551
In the third to fifth years	263	546
	1,364	1,837

20. SHARE CAPITAL

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Issued and fully paid: 946,116,360 (2016: 525,620,200) ordinary shares of HK\$0.01 each	9,461	5,256

On 23 June 2017, the Company issued 420,496,160 bonus shares on the basis of eight bonus shares for every ten shares then existing.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. BUSINESS COMBINATION

On 19 September 2016, the Company has entered into an agreement with Bonroy International Group Limited for the acquisition of 100% equity interest in Bonroy Limited and its subsidiaries (“Bonroy Group”). Pursuant to the agreement, the proposed cash consideration for Bonroy Group is USD1. The principal assets of the Bonroy Group are the investment properties known as the “Pretty Shopping Centre” located in Beijing.

On 24 January 2017 (the “Acquisition Date”), the Group completed the acquisition of Bonroy Group. Bonroy Group is principally engaged in the operation of the investment properties, the Pretty Shopping Centre, in Beijing. The Pretty Shopping Centre was pledged as security for the bank and other borrowings of RMB1.5 billion in aggregate, and the fair value of the Pretty Shopping Centre was approximately RMB1.85 billion (approximately equivalent to HK\$2.13 billion) as at the Acquisition Date pursuant to the property valuation carried out by the independent property valuer using the T&R Method of the income approach.

The fair values of the identifiable assets and liabilities of Bonroy Group as at the Acquisition Date were as follows:

	Notes	Fair values recognised on acquisition HK\$'000
Investment properties	13	2,132,942
Property, plant and equipment	10	222
Cash and bank balances		1,720
Prepayments and other receivables		89,812
Interest payable		(9,064)
Other payables and accruals		(35,535)
Tax payable		(4,098)
Long term loans		(1,726,519)
Deferred tax liabilities		(443,217)
Total identifiable net assets at fair values		6,263
Gain from bargain purchase		6,263
Satisfied by cash		–

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. BUSINESS COMBINATION (Continued)

The Group incurred transaction costs of approximately HK\$7.0 million for this acquisition. These transaction costs have been expensed and were included in administrative expenses in the condensed consolidated statement of profit or loss. The gain from bargain purchase of HK\$6.26 million was included in other operating income in the condensed consolidated statement of profit or loss.

An analysis of the cash flows in respect of the acquisition of the Bonroy Group is as follows:

	HK\$'000
Cash consideration	–
Cash and bank balances acquired	1,720
Net inflow of cash and cash equivalents included in cash flows from investing activities	1,720

Since the acquisition, Bonroy Group contributed HK\$77,121,000 to the Group's revenue and resulted in a net profit of approximately HK\$9,775,000 to the consolidated net profit of the Group for the period ended 30 June 2017.

22. COMMITMENTS

(a) Capital commitments

At the end of the reporting period, the Group did not have any significant capital commitments.

(b) Operating lease commitments

As lessor

The Group leases out its investment properties (note 13) under operating lease arrangements on terms ranging from ten to seventeen years and with an option for renewal after the expiry dates, at which time all terms will be renegotiated. The Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Within one year	74,548	–
In the second to fifth years, inclusive	725,482	–
After five years	958,720	–
	1,758,750	–

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. COMMITMENTS (Continued)

(b) Operating lease commitments (Continued)

As lessee

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:

	30 June 2017 (Unaudited) HK\$'000	31 December 2016 (Audited) HK\$'000
Within one year	16,621	16,600
In the second to fifth years, inclusive	28,936	32,990
After five years	4,750	5,805
	50,307	55,395

23. RELATED PARTY TRANSACTIONS

(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:

	Notes	For the six months ended 30 June	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Sales of printers and toners to an associate, Yichun Yilian Print Tech Co., Ltd. ("Yichun Yilian")	(i)	10,325	4,010
Sales of LED lighting equipment to an associate, Yichun Yilian	(ii)	21	–
Rental expense paid to Profit Home Investments Limited	(iii)	900	900

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

23. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

- (i) Alltronics Tech. Mftg. Limited, a wholly-owned subsidiary of the Group, purchased printers and toners from a supplier in Japan and then sold them to Yichun Yilian at a mark up based on the mutual agreement between the parties.
- (ii) Alltronics Energy Saving (ShenZhen) Limited, a wholly-owned subsidiary of the Group, sold LED lighting equipment to Yichun Yilian at a mark up based on the mutual agreement between the parties.
- (iii) Ms. Yeung Po Wah and Mr. Lam Chee Tai, Eric are executive Directors of the Company, and have 60% and 20% equity interests in Profit Home Investments Limited respectively. The rental was determined according to negotiation with the counterparties. This related party transaction also constitute connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Key Management Compensation

	For the six months ended 30 June	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Directors' fees	709	559
Salaries and other short-term employee benefit	11,390	10,954
Pension scheme contribution	117	126
	12,216	11,639

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

24. CONTINGENT LIABILITIES

On 15 November 2016, 北京金馬長城房產建設有限責任公司 (Beijing Jinma Changcheng Real Estate Construction Co., Ltd) (“Jinma Changcheng”) as plaintiff instituted litigation against Beijing Wan Heng Da Investment Company Limited (“Beijing Wan Heng Da”), being a wholly-owned subsidiary of the Bonroy Group, as defendant in respect of the dispute on possession of properties, to claim for (i) Beijing Wan Heng Da to vacate the premises located at 2-05, 2-06, second floor of the Pretty Shopping Centre, the venue of 286.09 sq.m. at the west exit on the first floor of the Pretty Shopping Centre, the venue with an additional floor area of 501.74 sq.m. on the elevated corridor on the first floor of the Pretty Shopping Centre and the venue with an additional floor area of 212.02 sq.m. at the west-side tunnel on the second floor of the Pretty Shopping Centre (the “Disputed Properties”); (ii) payment of a daily occupation fee of RMB19,719.3 by Beijing Wan Heng Da for the period from 1 January 2016 and until the date of actual relocation; and (iii) costs of the litigation in respect of the case shall be borne by Beijing Wan Heng Da. On 10 March 2017, Beijing Wan Heng Da as plaintiff instituted litigation against 北京市規劃和國土資源管理委員會 and Jinma Changcheng claiming that legal title certificates for the Disputed Properties are not properly and legally issued and should be voided. As at the date of this report, the above litigations are pending to be heard by the court and the final court decision has not been made. Taking into consideration of the legal opinion prepared by the legal advisor of Beijing Wan Heng Da, the Board believes that the claims made by Jinma Changcheng are without legal grounds and will not have material impact to financial position of Beijing Wan Heng Da and the Group.

INTERIM DIVIDEND

The Board declared an interim dividend of HK3.0 cents per ordinary share for the six months ended 30 June 2017, payable on or about 12 October 2017, to the shareholders whose names appear on the register of members of the Company on 22 September 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 19 September 2017 to 22 September 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates 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 18 September 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Total turnover for the six months ended 30 June 2017 (the “Period”) had increased by 43.4% to HK\$675.5 million, as compared to HK\$471.1 million for the same period in 2016. The substantial increase in turnover was mainly due to the increase in revenue from electronic products segment and the rental income recognised from the investment properties acquired during the Period. The diversity of the Group’s business has allowed the Group to maintain its revenue growth momentum in the first half of 2017.

The turnover analysis by business segments for the two periods is as follows:

	For the six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Revenue from sales of electronic products	595,817	465,407
Rental income from investment properties held	77,121	–
Revenue from sales of biodiesel products	1,871	1,862
Revenue from energy saving business	734	3,806
	675,543	471,075

Sales of electronic products comprise sales of finished electronic products; plastic moulds and components; and other components for electronic products. The increase in total sales revenue from electronic products was mainly due to the increase in sales of finished electronic products, which had increased from HK\$351.3 million in 2016 to HK\$475.5 million in 2017. Sales of irrigation controller products to the largest customer of the Group in the United States had increased by approximately HK\$22.3 million. Sales of walkie-talkie products had increased by approximately HK\$74.0 million, of which HK\$18.2 million being sales of walkie-talkie products to a new customer, Xian Feng Yu Technology Limited (“Xian Feng Yu”), which is one of the companies within the Xiaomi Ecosystem. On the other hand, sales revenue from other components for electronic products had increased by HK\$6.3 million whereas the sales revenue from plastic moulds and components had remained stable during the Period.

On 24 January 2017, the Group had completed the acquisition of Bonroy Limited and its subsidiaries (the “Bonroy Group”). The principal assets of the Bonroy Group are the investment properties known as “Pretty Shopping Centre” located in Beijing, The People’s Republic of China (the “PRC”). The Group regards the holding of the investment properties for rental income as a new business segment for the Period. Total rental income from Pretty Shopping Centre recognised during the Period was HK\$77.1 million.

MANAGEMENT DISCUSSION AND ANALYSIS

The operations of the biodiesel products segment continued to remain at a low level during the Period and the sales revenue remained stabled at HK\$1.9 million.

Regarding the energy saving business segment, total revenue recognised during the Period was HK\$0.7 million, as compared to HK\$3.8 million in 2016. The revenue represented the energy saving revenue generated from retail stores of Suning Commerce Group Co., Ltd. (“Suning”) and hotels operated by the HNA Group Co., Ltd. with LED lighting equipment installed. In the prior period, the Group had completed the inspection procedures of a hotel operated by the HNA Group Co., Ltd. at Beijing and had recognised a revenue of HK\$2.4 million. During the Period, there was no such revenue recognised from hotel operated by the HNA Group Co., Ltd.

In terms of geographical market, the United States continued to be the major market for the Group’s products and services which accounted for approximately 43.6% of the total revenue for the Period (2016: 57.1%). Revenue from customers in the PRC had increased by HK\$100.4 million mainly due to the rental income recognised from the investment properties and the sales of walkie-talkie products to Xian Feng Yu. Sales to customers in Hong Kong had increased by HK\$76.4 million while sales to customers in Europe had decreased by HK\$5.3 million.

Gross profit

The overall gross profit margin had improved from 20.0% for the six months period ended 30 June 2016 to 31.4% for 2017. The increase in overall gross profit margin was mainly due to the increase in revenue and the improvement in average gross profit margin from the electronic products segment; and the rental income of HK\$77.1 million recognised during the Period. In view of the challenging market conditions, the Group had to continue its effort to tighten the controls over production costs and overheads, and to improve production efficiency so as to maximise the gross profit margin for the electronic product segment. During the Period, the average gross profit margin for electronic products segment had increased from 20.4% in 2016 to 22.5% in 2017.

Expenses and finance costs

Administrative expenses had increased by HK\$20.0 million and distribution costs had increased by HK\$4.1 million during the Period. The increase in administrative expenses was mainly due to the administrative expenses of HK\$19.5 million incurred by the Bonroy Group acquired during the Period. In addition, overall staff costs, including directors’ emoluments, had increased by HK\$9.6 million. The increase in distribution costs was mainly due to increase in business volume.

Total finance costs had increased by HK\$51.5 million which was mainly due to the interests of HK\$50.9 million paid for the bank loans to finance the investment properties.

MANAGEMENT DISCUSSION AND ANALYSIS

Other operating income/expenses

During the Period, the acquisition of the Bonroy Group had resulted in a gain from bargain purchase of HK\$6.3 million. The fair value of the investment properties held by the Bonroy Group had been reassessed as at 30 June 2017 and a fair value loss of HK\$2.8 million was incurred. There were no such items in the prior period.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period was HK\$57.1 million, compared to HK\$29.2 million for the same period in 2016. The increase was mainly due to the increase in revenue and the improvement in gross profit margin on electronic products segment, and the acquisition of the Bonroy Group which had resulted in a gain from bargain purchase of HK\$6.3 million.

PRODUCTION FACILITIES

The Group currently has three production facilities in the PRC for the manufacturing of electronic products and components, two of which are located in Shenzhen, and one in Yangxi. During the Period, the Group spent approximately HK\$4.1 million to acquire property, plant and equipment to enhance its production capacity.

The Group will set up new production facilities for the electronic products segment at Yichun, the PRC, so as to cope with the increase in demand and for production of new products to be launched.

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 30 June 2017, the Group's total cash and cash equivalents, net of current bank overdrafts, amounted to HK\$222.7 million. The net funds are sufficient to finance the Group's working capital and capital expenditure plans.

At 30 June 2017, total borrowings of the Group amounted to HK\$2,010.7 million, comprising bank overdrafts of HK\$2.1 million, bank loans of HK\$2,005.5 million, trust receipt loans of HK\$1.7 million and obligations under finance leases of HK\$1.4 million, of which HK\$284.2 million are denominated in Hong Kong dollars and HK\$1,726.5 million are denominated in Renminbi.

The Group's trade receivable turnover, inventory turnover and trade payable turnover were approximately 52 days, 89 days and 78 days respectively for the Period. These turnover periods are consistent with the respective policies of the Group on credit terms granted to customers and obtained from suppliers.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2017, the Group's total current assets had increased by 6.0% to HK\$840.1 million compared to HK\$792.3 million as at 31 December 2016, and the Group's total current liabilities had increased by 35.2% to HK\$812.0 million compared to HK\$600.7 million as at 31 December 2016. The current ratio (current assets/current liabilities) as at 30 June 2017 was 1.03 times, compared to 1.32 times as at 31 December 2016. The drop in current ratio was mainly due to the increase in bank borrowings as included in current liabilities at 30 June 2017.

Pursuant to an ordinary resolution passed by the shareholders of the Company at the annual general meeting held on 1 June 2017, the Company had issued 420,496,160 bonus shares on 23 June 2017. During the Period, 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 30 June 2017, the Company had in issue a total of 946,116,360 ordinary shares. A new share option scheme (the "2016 Share Option Scheme") has been adopted by the shareholders of the Company at the annual general meeting of the Company held on 7 June 2016. There were no share options granted, exercised, lapsed or cancelled since the adoption of the 2016 Share Option Scheme. As at 30 June 2017, the Company did not have any share options outstanding.

CASH FLOWS

The net balance of cash, cash equivalents and bank overdrafts at 30 June 2017 was HK\$222.7 million, which had decreased by HK\$107.2 million compared to the balance at 31 December 2016.

The net cash generated from operating activities for the Period was HK\$27.3 million. The net cash used in investing activities amounted to HK\$4.6 million, which was mainly due to HK\$4.1 million paid for the acquisition of property, plant and equipment.

On the other hand, there was a net cash outflow of HK\$134.2 million from financing activities. During the Period, new borrowings of HK\$3.0 million were obtained and HK\$44.2 million was used to repay borrowings and finance leases, HK\$50.9 million was paid as interests for bank loans to finance the investment properties and HK\$42.1 million was paid to shareholders as dividend.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM FUND RAISING ACTIVITIES

Share subscription under specific mandate

According to the Company's circular dated 25 November 2016, the net proceeds from the subscription of 23,437,980 new ordinary shares by Wealth Channel Global Limited was estimated to be approximately HK\$34.6 million which was intended to be used for: (i) as to approximately HK\$20 million for repayment of outstanding bank borrowings; and (ii) the remaining balance of approximately HK\$14.6 million as general working capital for the Group's principal business and for future investment opportunities should the same arise.

During the Period, HK\$20 million has been utilised as intended for repayment of bank borrowings and HK\$14.6 million has been utilised as intended for general working capital of the Group.

The Company did not have any fund raising activities during the Period.

CAPITAL EXPENDITURE

During the Period, the Group acquired property, plant and equipment at a total cost of HK\$4.1 million, mainly financed by internal resources of the Group. The Group has also completed the acquisition of the Bonroy Group on 24 January 2017 at a cash consideration of United States dollar 1. The principal assets of the Bonroy Group are the investment properties located in Beijing. Details of the acquisition are set out in the circular dated 23 December 2016 issued by the Company.

PLEDGE OF ASSETS

At 30 June 2017, the Group had total bank borrowings (excluding obligations under finance leases) of HK\$2,009.3 million, out of which HK\$1,726.5 million were secured by the investment properties of HK\$2,130.2 million; HK\$66.4 million were secured by the leasehold property of HK\$182.7 million and HK\$13.3 million were secured by short-term bank deposits of HK\$8.7 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 interim condensed consolidated statement of financial position) less trade related debts and cash and cash equivalents. Total capital is calculated as "equity", as shown in the interim condensed consolidated statement of financial position.

As at 30 June 2017, the gearing ratio of the Group was 349.4% (2016: 24.3%). The significant increase in the gearing ratio was due to the bank loans of HK\$1,726.5 million (equivalent to RMB1,500 million) acquired from the Bonroy Group. These bank loans are secured by the Group's investment properties with a carrying value of HK\$2,130.2 million as at 30 June 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

LITIGATION AND CONTINGENT LIABILITIES

On 15 November 2016, 北京金馬長城房產建設有限責任公司 (Beijing Jinma Changcheng Real Estate Construction Co., Ltd) (“Jinma Changcheng”) as plaintiff instituted litigation against Beijing Wan Heng Da Investment Company Limited (“Beijing Wan Heng Da”), being a wholly-owned subsidiary of the Bonroy Group, as defendant in respect of the dispute on possession of properties, to claim for (i) Beijing Wan Heng Da to vacate the premises located at 2-05, 2-06, second floor of the Pretty Shopping Centre, the venue of 286.09 sq.m. at the west exit on the first floor of the Pretty Shopping Centre, the venue with an additional floor area of 501.74 sq.m. on the elevated corridor on the first floor of the Pretty Shopping Centre and the venue with an additional floor area of 212.02 sq.m. at the west-side tunnel on the second floor of the Pretty Shopping Centre (the “Disputed Properties”); (ii) payment of a daily occupation fee of Renminbi 19,719.3 by Beijing Wan Heng Da for the period from 1 January 2016 and until the date of actual relocation; and (iii) costs of the litigation in respect of the case shall be borne by Beijing Wan Heng Da. On 10 March 2017, Beijing Wan Heng Da as plaintiff instituted litigation against 北京市規劃和國土資源管理委員會 and Jinma Changcheng claiming that legal title certificates for the Disputed Properties are not properly and legally issued and should be voided. As at the date of this report, the above litigations are pending to be heard by the court and the final court decision has not been made. Taking into consideration of the legal opinion prepared by the legal advisor of Beijing Wan Heng Da, the Board believes that the claims made by Jinma Changcheng are without legal grounds and will not have material impact to financial position of Beijing Wan Heng Da and the Group.

Save as disclosed above, at both 30 June 2017 and 31 December 2016, the Group did not have any material contingent liabilities.

EMPLOYEES

At 30 June 2017, the Group had 3,002 employees, of which 79 were employed in Hong Kong and 2,923 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.

No share options had been granted, exercised, lapsed or cancelled since the adoption of the 2016 Share Option Scheme. As at 30 June 2017, there were no share options remained outstanding.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

Most of the Group's sales are denominated in United States dollars and Renminbi, 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. The Group's investment properties are located in the PRC and all rental income is receivable in 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. Management will consider various action to minimise the risk, including the entering into forward foreign exchange contracts with major and reputable financial institutions to hedge its foreign exchange risk exposure. These were for hedging against foreign exchange risk exposure relating to the production costs and certain outstanding payables denominated in Renminbi. As at 30 June 2017, the Group did not have any outstanding forward foreign exchange contracts. 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

Electronic products segment

The Group foresees that the global economic environment in the second half of 2017 will remain uncertain. Factors such as the risk of fluctuation of exchange rate of Renminbi against United States dollars and Hong Kong dollars; the risk of fluctuation of interest rate; and the uncertain consequences of the withdrawal of the United Kingdom from the European Union will continue to 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.

Management foresees that the demand for the Group's irrigation controllers and other major electronic products will remain to be strong in the second half of 2017. In addition, new products including walkie-talkie products manufactured for Xian Feng Yu and a newly developed photolysis air purifiers will provide strong momentum for the growth in revenue in the second half of 2017 and in 2018. The Group has confidence that the overall performance of the electronic products segment will remain strong during the second half of 2017.

In terms of geographical market, the Group foresees that United States will still be the major market for its products in 2017. The Group will continue to devote efforts to explore new markets and new customers to broaden its customer base.

MANAGEMENT DISCUSSION AND ANALYSIS

Yichun Yilian Print Tech. Co., Ltd. (“Yichun Yilian”) currently is a 42.34% owned associate of the Group, which is established in the PRC and principally engaged in the manufacturing and sale of printers and other accessory products, and the provision of on-line printing services on a charge-by-page basis. During the Period, two strategic investors had injected additional capital of Renminbi 36.0 million in aggregate into Yichun Yilian. As at 30 June 2017, Yichun Yilian has distributed over 3,500 printers to over 120 universities and colleges in the PRC to provide on-line printing services on a charge-by-page basis. Yichun Yilian foresees that revenue from its on-line printing services will become the major source of revenue in future. The Group also expects that contribution from Yichun Yilian to the Group will become more and more significant.

Yichun Yilian was granted with the right to use an industrial park (the “Industrial Park”) located in Yuanzhou, the PRC, with total gross floor area of approximately 200,000 square meters. Yichun Yilian has the right to use the Industrial Park for 50 years. The Government of Yuanzhou District will be responsible for the infrastructure and construction costs of the Industrial Park, including construction of the workers dormitory. Yichun Yilian will be responsible for setting up production facilities for printers and accessories products in the Industrial Park, with annual output of approximately 800,000 laser printers and 10,000,000 cartridges for laser printers. Yichun Yilian would introduce other manufacturers to set up production facilities in the Industrial Park so as to increase the employment rate of the local workers and to increase the tax revenue of the local government.

As the Group’s production facilities for electronic products and components currently located in Shenzhen are close to full capacity, the Group will set up new production facilities for its electronic products and components in the Industrial Park so as to expand its overall production capacity to cope with the increase in demand and for production of new products to be launched.

The Group will continue to explore opportunities for new electronic products with other potential customers so as to broaden its revenue base and to maintain its growth momentum.

Investment properties segment

In order to attract more prominent and prestigious tenants and to increase the future rental income, the Group has decided to carry out renovation work at the Pretty Shopping Centre. As at the date of this report, the renovation work is still in progress and is expected to be completed in the first quarter of 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Biodiesel products segment

The demand for the Group's biodiesel products remained at low levels during the Period and management expects that the revenue from biodiesel products will remain stable during the second half of 2017.

As of 30 June 2017, about 100 energy efficient gas stoves had been installed for customers in Hong Kong. The Group expects that the operations of the energy efficient gas stoves business will growth steady in the second half of 2017.

Energy saving business

The installation of LED lighting equipment for Suning's retail stores continued during the Period and as at 30 June 2017, approximately 660 retail stores of Suning have completed the installation work. The Group will continue the installation work at other retail stores of Suning during the second half of 2017.

Looking forward, the Group will continue to explore opportunities for new products and projects with other potential customers in Hong Kong, in the PRC and overseas, and will continue to look for investment opportunity to diversify its business and to provide a better return to all shareholders.

SHARE OPTION SCHEME

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

The 2005 Share Option Scheme was 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. The 2005 Share Option Scheme had expired on 21 June 2015 and there were no share options granted under the 2005 Share Option Scheme prior to its expiry which are still exercisable pursuant to the terms of the scheme.

At the annual general meeting of the Company held on 7 June 2016, a new share option scheme (the “2016 Share Option Scheme”) was approved by the shareholders. The purpose of the 2016 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 2016 Share Option Scheme shall be valid and effective for a period of 10 years commencing from 7 June 2016, being the date on which the Share Option Scheme was adopted.

During the six months ended 30 June 2017 and the year ended 31 December 2016, there were no share options granted, exercised, cancelled or lapsed under the 2016 Share Option Scheme. As at 30 June 2017 and 31 December 2016, there were no outstanding share options issued under these two share option schemes.

Further details of the 2016 Share Option Scheme are set out in the circular dated 9 May 2016 issued by the Company.

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 2017, 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") were as follows:

(a) Ordinary shares of HK\$0.01 each of the Company at 30 June 2017

Name of Director		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	5,504,922	-	439,740,000	445,244,922	47.06
Ms. Yeung Po Wah	Long positions	-	445,244,922	-	445,244,922	47.06
Ms. Liu Jing	Long positions	124,509,600	-	-	124,509,600	13.16
Mr. Lam Chee Tai, Eric	Long positions	3,018,708	-	-	3,018,708	0.32

Notes:

- 439,740,000 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.
- Mr. Lam Yin Kee and Ms. Yeung Po Wah are directors and beneficial owners of Profit International Holdings Limited.
- Mr. Lam Chee Tai, Eric is the son of Mr. Lam Yin Kee and Ms. Yeung Po Wah.

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 (Continued)

(b) Share options of the Company at 30 June 2017

None of the Directors and Chief Executives has held any share options as at 30 June 2017.

(c) Interests in an associated corporation, Profit International Holdings Limited (Ordinary share of US\$1 each) at 30 June 2017

Name of Director		Number of shares held			Total	% of the issued share capital of the associated corporation
		Personal interests	Family interests	Corporate interests		
Mr. Lam Yin Kee	Long positions	950	-	-	950	95.0
Ms. Yeung Po Wah	Long positions	50	-	-	50	5.0

Saved as disclosed above, at no time during the Period, 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 AND 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 2017, 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.

Name		Number of shares		Total	% of the issued share capital of the Company
		Personal interests	Nature of interest		
Profit International Holdings Limited	Long positions	439,740,000	Beneficially owned	439,740,000	46.48
Lijiang Investment Holdings Limited	Long positions	94,611,636	Beneficially owned	94,611,636	10.00
China Huarong International Holdings Limited ("Huarong International") (Note)	Long positions	94,611,636	Interest of a controlled corporation	94,611,636	10.00
China Huarong Asset Management Co., Ltd. ("China Huarong") (Note)	Long positions	94,611,636	Interest of a controlled corporation	94,611,636	10.00
The Ministry of Finance of the People's Republic of China (Note)	Long positions	94,611,636	Interest of a controlled corporation	94,611,636	10.00

Note: 94,611,636 shares of the Company were beneficially owned by Lijiang Investment Holdings Limited which is wholly-owned by Huarong International. Huarong International is a wholly-owned subsidiary of China Huarong. The Ministry of Finance of the People's Republic of China has approximately 67.75% interests in the share capital of China Huarong. Therefore, Huarong International, China Huarong and The Ministry of Finance of the People's Republic of China are deemed to be interested in 94,611,636 shares of the Company.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Save as disclosed above and so far as the Directors and Chief Executives of the Company are aware of, at 30 June 2017, 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 Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules, except for the limited deviation on the grounds and causes as explained below. The Board will review and update the current practices regularly to ensure compliance with the latest practices in corporate governance so as to protect and maximise the interests of shareholders.

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

Code Provision I (f) and Rule 3.10A of the Listing Rules stipulate that the Company is required to appoint independent non-executive directors representing at least one-third of the Board. Following the appointment of Mr. Lau Fai Lawrence as a non-executive director of the Company effective from 1 March 2017 and during the period from 1 March 2017 to 31 May 2017, the number of independent non-executive directors for the composition of the Board had fallen below the minimum number required by the Listing Rules. Since the appointment of Mr. Lin Kam Sui as an independent non-executive director on 1 June 2017, the Company has complied with this requirement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 Period.

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. Yen Yuen Ho, Tony.

CORPORATE GOVERNANCE

The interim condensed consolidated financial statements have been reviewed by the Audit Committee at a meeting held on 29 August 2017, which is of the opinion that the interim condensed 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. Yen Yuen Ho, Tony.

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. Yen Yuen Ho, Tong.

CHANGES IN INFORMATION OF DIRECTORS

During the Period and up to the date of this report, the changes in directors’ information since publication of the 2016 annual report of the Company are as follows:

- (a) Mr. Meng Fei was appointed as an executive Director of the Company with effect from 1 June 2017; and
- (b) Mr. Lin Kam Sui was appointed as an independent non-executive Director of the Company with effect from 1 June 2017.

Save as disclosed above, there were no other changes in directors’ information since publication of the 2016 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.

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.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The electronic version of this report will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the 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, 29 August 2017

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

Executive Directors

Mr. Lam Yin Kee, Ms. Yeung Po Wah, Mr. Meng Fei, Ms. Liu Jing, Mr. Lam Chee Tai, Eric and Mr. So Kin Hung

Non-executive Directors

Mr. Fan, William Chung Yue and Mr. Lau Fai Lawrence

Independent Non-executive Directors

Mr. Pang Kwong Wah, Mr. Yau Ming Kim, Robert, Mr. Yen Yuen Ho, Tony and Mr. Lin Kam Sui

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. LAM Yin Kee
(*Chairman and Chief Executive*)
Ms. YEUNG Po Wah
Mr. MENG Fei**
Ms. LIU Jing
Mr. LAM Chee Tai, Eric
Mr. SO Kin Hung

Non-executive Directors

Mr. FAN, William Chung Yue
Mr. LAU Fai Lawrence*

Independent Non-executive Directors

Mr. PANG Kwong Wah
Mr. YAU Ming Kim, Robert
Mr. YEN Yuen Ho, Tony
Mr. LIN Kam Sui**

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 408, 4/F, Citicorp Centre
18 Whitfield Road
Hong Kong

COMPANY SECRETARY

Mr. LEUNG Fuk Cheung

STOCK CODE

833

INDEPENDENT AUDITOR

Ernst & Young

AUDIT COMMITTEE

Mr. PANG Kwong Wah (*Chairman*)
Mr. YAU Ming Kim, Robert
Mr. YEN Yuen Ho, Tony

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
Shengjing Bank Co., Ltd.

SHARE REGISTRARS AND TRANSFER OFFICE

In Hong Kong
Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

In Cayman Islands
SMP Partners (Cayman) Limited
Royal Bank House - 3rd Floor
24 Shedden Road, P. O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

WEBSITE

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

* Appointed on 1 March 2017

** Appointed on 1 June 2017