Alltronics Holdings Limited
華訊股份有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 833

2018
Interim Report

CONTENTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2018

	Notes	For the six months ended 30 June 2018 (Unaudited) HK$'000	2017 (Unaudited) (Restated) HK$'000
REVENUE	4	**732,593**	675,543
Cost of sales		**(522,167)**	(463,702)
Gross profit		**210,426**	211,841
Distribution costs		**(9,661)**	(8,101)
Administrative expenses		**(114,150)**	(67,486)
Other operating expense, net		**(887)**	(2,431)
Gain/(loss) on changes in fair value of investment properties		**21,843**	(2,762)
Operating profit		**107,571**	131,061
Gain on deemed disposal of partial interests in an associate		**17,639**	–
Share of losses of associates – net		**(4,887)**	(690)
Finance income		**2,612**	1,346
Finance costs	6	**(70,050)**	(55,930)
PROFIT BEFORE TAX	5	**52,885**	75,787
Income tax expense	7	**(15,583)**	(14,994)
PROFIT FOR THE PERIOD		**37,302**	60,793
Attributable to:			
Owners of the Company		**35,350**	57,111
Non-controlling interests		**1,952**	3,682
		37,302	60,793
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
– Basic		**HK3.74 cents**	HK6.04 cents
– Diluted		**HK3.74 cents**	HK6.04 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
PROFIT FOR THE PERIOD	**37,302**	60,793
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(184)**	5,233
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(184)**	5,233
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**37,118**	66,026
Attributable to:		
Owners of the Company	**34,674**	62,223
Non-controlling interests	**2,444**	3,803
	37,118	66,026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	**30 June 2018 (Unaudited) HK$'000**	31 December 2017 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**237,963**	240,115
Prepaid land lease payments	11	**1,595**	1,620
Investment properties	13	**2,340,112**	2,350,822
Goodwill	12	**11,672**	11,672
Investments in associates		**50,071**	37,324
Prepayments, deposits and other receivables		**14,363**	17,934
Long term receivables	14	**13,173**	17,804
Deferred tax assets		**4,863**	4,530
Total non-current assets		**2,673,812**	2,681,821
CURRENT ASSETS			
Inventories	15	**252,375**	246,341
Trade receivables	16	**307,722**	200,493
Long term receivables – current portion	14	**29,371**	32,524
Prepayments, deposits and other receivables		**167,179**	177,038
Pledged deposits	17	**8,731**	8,720
Cash and cash equivalents	17	**126,399**	172,464
Total current assets		**891,777**	837,580

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
CURRENT LIABILITIES			
Trade and bills payables	18	**227,850**	211,889
Other payables and accruals		**123,012**	100,993
Deferred revenue		**2,401**	2,676
Tax payable		**16,107**	12,553
Interest-bearing bank and other borrowings	19	**617,379**	579,267
Total current liabilities		**986,749**	907,378
NET CURRENT LIABILITIES		**(94,972)**	(69,798)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,578,840**	2,612,023
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	19	**1,539,951**	1,561,235
Deferred revenue		**2,971**	4,193
Deferred tax liabilities		**497,246**	497,735
Total non-current liabilities		**2,040,168**	2,063,163
Net assets		**538,672**	548,860
EQUITY			
Equity attributable to owners of the Company			
Share capital	20	**9,461**	9,461
Reserves		**524,643**	537,275
		534,104	546,736
Non-controlling interests		**4,568**	2,124
Total equity		**538,672**	548,860

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Attributable to owners of the Company									
	Share 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 profits (Unaudited) HK$'000	Total (Unaudited) HK$'000	Non-controlling interests (Unaudited) HK$'000	Total equity (Unaudited) HK$'000
At 1 January 2018	**9,461**	**277,388**	**5,799**	**22,498**	**2,297**	**42**	**229,251**	**546,736**	**2,124**	**548,860**
Profit for the period	–	–	–	–	–	–	35,350	35,350	1,952	37,302
Other comprehensive (loss)/income for the period:										
Exchange differences related to foreign operations	–	–	–	–	(676)	–	–	(676)	492	(184)
Total comprehensive (loss)/income for the period	–	–	–	–	(676)	–	35,350	34,674	2,444	37,118
Final dividend related to 2017	–	–	–	–	–	–	(47,306)	(47,306)	–	(47,306)
At 30 June 2018	**9,461**	**277,388**	**5,799**	**22,498**	**1,621**	**42**	**217,295**	**534,104**	**4,568**	**538,672**
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	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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	Notes	For the six months ended 30 June **2018** **(Unaudited)** **HK$'000**	2017 (Unaudited) (Restated) HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**52,885**	75,787
Adjustments for:			
Amortisation of non-current prepayments	5	**2,120**	1,434
Amortisation of prepaid land lease payments	11	**25**	25
Finance costs	6	**70,050**	55,930
Finance income		**(2,612)**	(1,346)
Share of losses of associates – net		**4,887**	690
(Gain)/loss on disposal of property, plant and equipment	5	**(36)**	1
Depreciation	10	**9,373**	8,417
(Gain)/loss on changes in fair value of investment properties	13	**(21,843)**	2,762
Gain from bargain purchase	5	**–**	(6,263)
Realised gain on disposal of equity investments at fair value through profit or loss	5	**–**	(5)
Written off of inventories to net realisable value	5	**449**	1,910
Gain on deemed disposal of partial interests in an associate		**(17,639)**	–
		97,659	139,342
Increase in inventories		**(6,483)**	(14,051)
Increase in trade receivables		**(107,229)**	(18,196)
Decrease in long term receivables		**3,153**	1,752
Decrease/(increase) in prepayments, deposits and other receivables		**9,621**	(95,564)
Decrease in deferred revenue		**(1,497)**	(338)
Increase/(decrease) in trade and bills payables		**15,961**	(4,505)
Increase in other payables and accruals		**22,019**	35,103
(Decrease)/increase in trust receipt loans		**(540)**	137
Cash generated from operations		**32,664**	43,680
Interest received		**2,612**	1,346
Interest paid		**(70,050)**	(55,930)
Income taxes paid		**(6,044)**	(12,744)
Net cash flows used in operating activities		**(40,818)**	(23,648)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	Notes	For the six months ended 30 June 2018 (Unaudited) HK$'000	2017 (Unaudited) (Restated) HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(7,302)**	(4,080)
Proceeds from disposal of items of property, plant and equipment		**1,182**	347
Decrease/(increase) in non-current long term receivables		**4,631**	(2,611)
Increase in pledged bank deposits		**(11)**	(11)
Proceeds from acquisition consideration		**–**	1,720
Net cash flows used in investing activities		**(1,500)**	(4,635)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital element of finance lease payments		**(202)**	(473)
Dividends paid	8	**(47,306)**	(42,050)
New bank and other borrowings		**94,782**	3,000
Repayment of bank and other borrowings		**(60,822)**	(43,771)
Net cash flows used in financing activities		**(13,548)**	(83,294)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(55,866)**	(111,577)
Cash and cash equivalents at beginning of period		**152,930**	329,868
Effect of foreign exchange rate changes, net		**1,874**	4,442
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**98,938**	222,733
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position	17	**126,399**	224,853
Bank overdrafts		**(27,461)**	(2,120)
Cash and cash equivalents as stated in the statement of cash flows		**98,938**	222,733

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 2018 (At 31 December 2017: 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 2018 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the 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 2017.

As at 30 June 2018, the Group had net current liabilities of HK$94,972,000. The Group's ability to repay its debts when they fall due heavily relies on its future operating cash flows and its ability to renew the bank loans.

2. BASIS OF PREPARATION (Continued)

In view of the above, the directors of the Company have carefully assessed the Group's liquidity position having taken into account (i) the estimated operating cash inflows of the Group for the next twelve months from the end of the current reporting period; (ii) the unutilised banking facilities of the Group amounting to HK$224 million as at 30 June 2018; and (iii) the directors of the Company consider that it is highly probable that the bank loans can be renewed in the next twelve months.

On the basis of the above considerations, the directors of the Company believe that the Group can satisfy its financial obligations in the foreseeable future and accordingly, the interim condensed consolidated financial statements have been prepared on a going concern basis.

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 consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards and interpretations effective as of 1 January 2018 noted below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In the period, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are mandatorily effective for the period.

HKFRS 9	*Financial instruments*
HKFRS 15	*Revenue from contracts with customers and related amendments*
HKFRIC – Int 22	*Foreign currency transactions and advance consideration*
Amendments to HKFRS 2	*Classification and measurement of share-based payment transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts*
Amendments to HKAS 28	*Investments in associates and joint ventures clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice*
Amendments to HKAS 40	*Transfers of investment property*
Annual Improvements 2014-2016 Cycle	*Amendments to HKFRS 1*

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The application of the above new and amendments to HKFRSs in the period has had no material impact on the amounts and/or disclosures reported in these interim condensed consolidated financial statements.

Further information about HKFRS 15 and HKFRS 9 is described below:

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted HKFRS 15 using the modified retrospective method of adoption. The Group mainly engages in manufacturing and trading of electronic products, trading of biodiesel products, the provision of energy saving business solutions and operation of investment properties.

The application of HKFRS 15 in the period has had no material impact on the amounts and/or disclosures reported in these interim condensed consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together two aspects of the accounting for financial instruments: classification and measurement; and impairment.

(a) Classification and measurement

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instrument's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the "SPPI" criterion).

The new classification and measurement of the Group's financial assets are as follows:

– Debt instruments at amortised cost that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade receivables and financial assets included in prepayments, deposits and other receivables.

The adoption of HKFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities.

(b) Impairment

The adoption of HKFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. HKFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment (Continued)

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

As at 30 June 2018, the Group has applied the simplified approach and recorded lifetime ECLs on trade receivables, and general approach and recorded 12-month ECLs on financial assets included in prepayments, deposits and other receivables. The Group determined that there are no significant financial impact arising from these changes.

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 2018, 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 and provision of energy efficient gas stoves 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.

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 2018 (Unaudited)

	Electronic products HK$'000	Biodiesel products HK$'000	Energy saving business HK$'000	Investment properties HK$'000	Total HK$'000
Segment revenue:					
–Sales to external customers	602,181	2,122	64	–	604,367
–Revenue from services	–	–	1,756	–	1,756
–Rental income	–	–	–	126,470	126,470
Total revenue	602,181	2,122	1,820	126,470	732,593

4. OPERATING SEGMENT INFORMATION (Continued)

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 to external customers	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

Geographical information

Revenue from external customers:

	For the six months ended 30 June 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
The United States	**304,111**	294,340
Hong Kong	**126,137**	149,259
Europe	**115,996**	87,659
Mainland China	**165,092**	128,173
Other countries	**21,257**	16,112
	732,593	675,543

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

For the six months ended 30 June 2018, revenues of approximately HK$216,227,000 (30 June 2017: HK$226,096,000) were derived from a single external customer. These revenues were attributable to the electronic products segment.

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 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
Cost of inventories sold and services provided		**351,442**	311,335
Auditors' remuneration		**1,062**	1,073
Depreciation	10	**9,373**	8,417
Amortisation of non-current prepayments		**2,120**	1,434
Amortisation of prepaid land lease payments	11	**25**	25
Written off of inventories to net realisable value		**449**	1,910
Wages and salaries (including directors' emoluments)		**141,578**	103,744
(Gain)/loss on disposal of property, plant and equipment		**(36)**	1
Foreign exchange differences, net		**1,560**	7,374
(Gain)/loss on changes in fair value of investment properties		**(21,843)**	2,762
Gain from bargain purchase		**–**	(6,263)
Operating lease payments on rented premises		**8,485**	7,622
Realised gain on disposal of equity investments at fair value through profit or loss		**–**	(5)
Interest income from bank deposits		**(1,184)**	(562)
Interest income from long term receivables		**(1,428)**	(784)

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank loans and bank overdrafts	**70,036**	55,893
Interest element of finance leases	**14**	37
Total finance costs	**70,050**	55,930

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 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	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current – Hong Kong	**5,082**	4,949
Current – Mainland China		
Charge for the period	**4,501**	11,933
Underprovision in prior	**15**	–
Deferred	**5,985**	(1,888)
Total tax expense for the period	**15,583**	14,994

8. DIVIDENDS

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
2017 final dividend – HK 5 cents (2016: HK 8 cents) per ordinary share	**47,306**	42,050

A final dividend of HK 5 cents per ordinary share for the year ended 31 December 2017 has been approved by the shareholders at the Annual General Meeting of the Company held on 7 June 2018.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018. For the six months ended 30 June 2017, the Board recommended the payment of an interim dividend of HK 3 cents per ordinary share.

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 (Six months ended 30 June 2017: 946,116,360) in issue during the period. The weighted average number of ordinary shares for the six months ended 30 June 2017 was 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 Group had no potential dilutive ordinary shares in issue for the six months ended 30 June 2018 and 2017.

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
As at 1 January 2018/1 January 2017	**240,115**	227,449
Exchange realignment	**(604)**	2,151
Additions	**8,970**	28,762
Acquisition of subsidiaries	**–**	222
Disposals	**(1,145)**	(1,445)
Depreciation provided during the period/year	**(9,373)**	(17,024)
As at 30 June 2018/31 December 2017	**237,963**	240,115

As at 30 June 2018, 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 2017: HK$2,630,000) and HK$1,907,000(31 December 2017: HK$1,381,000), respectively. The lease terms are between 4 and 5 years.

At 30 June 2018, the Group's leasehold property with a carrying amount of approximately HK$176,500,000 (31 December 2017: HK$179,600,000) 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 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
As at 1 January 2018/1 January 2017	**1,620**	1,670
Amortisation charge	**(25)**	(50)
As at 30 June 2018/31 December 2017	**1,595**	1,620

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

12. GOODWILL

	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
As at 1 January 2018/1 January 2017	**11,672**	11,672
Impairment for the period/year	**–**	–
As at 30 June 2018/31 December 2017	**11,672**	11,672

13. INVESTMENT PROPERTIES

	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Carrying amount at 1 January	**2,350,822**	–
Acquisition from business combination	**–**	2,132,942
Net gain on fair value adjustment	**21,843**	121,104
Exchange realignments	**(32,553)**	96,776
Net carrying amount as at 30 June 2018/ 31 December 2017	**2,340,112**	2,350,822

The Group's investment properties are held under medium term leases and are commercial shopping mall situated in Chaoyang District in Beijing, Mainland China. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 21(b).

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

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

	Fair value measurement as at 30 June 2018 using			
Recurring fair value measurement for:	**Quoted prices in active markets (Level 1) HK$'000**	**Significant observable Inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Commercial properties	**–**	**–**	**2,340,112**	**2,340,112**

	Fair value measurement as at 31 December 2017 using			
Recurring fair value measurement for:	Quoted prices in active markets (Level 1) HK$'000	Significant observable Inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Commercial properties	–	–	2,350,822	2,350,822

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 2018, all the Group's investment properties were categorised as Level 3 fair value hierarchy.

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")	2,132,942
Net gain on fair value adjustment recognised in other operating income in profit or loss	121,104
Exchange realignments	96,776
Carrying amount at 31 December 2017 and 1 January	2,350,822
Net gain on fair value adjustment recognised in other operating income in profit or loss	21,843
Exchange realignments	(32,553)
Carrying amount at 30 June 2018	2,340,112

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 30 June 2018**	**Range or weighted average 31 December 2017**
Commercial properties	Income approach in particular, Term and Reversionary ("T & R") Method	Term Yields	6.7%	6.4%
		Market Yields	6.7%	6.4%

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.

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 2018, the Group has recorded a gain on changes in fair value of investment properties in the amount of approximately HK$21.84 million. The increase in fair value of investment properties was mainly due to the increase of future rental income, since the T & R Method considers the rental receivable from the lease agreements existed as at the valuation date.

14. LONG TERM RECEIVABLES

	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Non-current long term receivables		
Gross receivables	**17,549**	23,382
Less: unearned income	**(4,376)**	(5,578)
	13,173	17,804
Current long term receivables		
Gross receivables	**31,797**	35,049
Less: unearned income	**(2,426)**	(2,525)
	29,371	32,524
Long term receivables:		
No later than 1 year	**29,371**	32,524
Later than 1 year and no later than 5 years	**13,173**	17,804
Total current and non-current long term receivables	**42,544**	50,328

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.

15. INVENTORIES

	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Raw materials	**170,175**	162,292
Work in progress	**50,950**	45,748
Finished goods	**50,669**	59,214
	271,794	267,254
Provision against slow-moving and obsolete inventories	**(19,419)**	(20,913)
	252,375	246,341

16. TRADE RECEIVABLES

	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Trade receivables	**308,410**	201,181
Less: Provision for impairment of receivables	**(688)**	(688)
	307,722	200,493

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 2018, the Group's largest customer accounted for approximately 7.4% of total trade receivables (31 December 2017: 20.1%). 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 receivables are non-interest-bearing.

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 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Within 1 month	**115,323**	109,250
1 to 2 months	**70,873**	55,410
2 to 3 months	**47,786**	32,939
Over 3 months	**73,740**	2,894
Total	**307,722**	200,493

The Group applies the simplified approach to provide for expected credit losses under HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group has considered the credit risk characteristics and the days past due of the trade receivables to measure the expected credit losses.

17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Cash and bank balances	**110,345**	118,438
Time deposits	**24,785**	62,746
Less: Pledged time deposits for bank and other borrowings (note 19(b))	**(8,731)**	(8,720)
Cash and cash equivalents	**126,399**	172,464

17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (Continued)

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$18,208,000 (31 December 2017: HK$55,338,000). 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.

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 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Within 1 month	**102,162**	76,853
1 to 2 months	**72,976**	86,694
2 to 3 months	**38,910**	34,399
Over 3 months	**13,802**	13,943
Total	**227,850**	211,889

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

19. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2018 (Unaudited)			31 December 2017 (Audited)		
	Effective interest rate (%)	Maturity	HK$'000	Effective interest rate (%)	Maturity	HK$'000
Current						
Bank overdraft, secured	0-1 over prime rate	On demand	1,480	0-1 over prime rate	On demand	580
Bank overdraft, unsecured	0-1 under prime rate and 2.35 over HIBOR	On demand	25,981	0-1 under prime rate and 2.35 over HIBOR	On demand	18,954
Trust receipt loans, secured	2-2.25 over HIBOR	On demand	1,700	2-2.25 over HIBOR	On demand	2,240
Bank loans, secured	1.55-3 over HIBOR	On demand	69,914	1.55-3 over HIBOR	On demand	73,924
Bank loans, unsecured	1-3.5 over HIBOR	On demand	281,006	1-3.5 over HIBOR	On demand	243,036
Current portion of long term bank loans – secured	6.4-8.5	2019	236,883	6.4-8.5	2018	240,125
Finance lease payables	3.9	2019	415	3.9	2018	408
			617,379			579,267
Non-current						
Finance lease payables	3.9	2019	214	3.9	2019	423
Bank loans, secured	6.4-8.5	2020	1,539,737	6.4-8.5	2020	1,560,812
			1,539,951			1,561,235
			2,157,330			2,140,502

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 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Within one year	**542,574**	501,314
In the second year	**1,553,244**	617,117
In the third to fifth years	**60,883**	1,021,240
	2,156,701	2,139,671

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 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.

As at 30 June 2018, certain of the covenants under the bank loan facility agreements for bank loans with an aggregate amount of HK$265 million were not satisfied. According to the relevant accounting standard, the long term portion of HK$74 million of the bank loans has been reclassified to current liabilities as at 30 June 2018.

The directors are of the view that the banks will not exercise their rights to demand immediate repayment of the abovementioned loan balances for a period of not less than 12 months from the end of the reporting period, and the Group has sufficient financial resources to repay its indebtedness.

At the end of the reporting period, the interest-bearing bank and other borrowings of the Group denominated in RMB amounted to HK$1,776,620,000 (31 December 2017: HK$1,800,936,000).

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 2017: HK$6.7 million) and bank deposits denominated in US$ of approximately HK$2 million (31 December 2017: HK$2 million);

(ii) the Group's trade receivables of HK$1.0 million (as at 31 December 2017: HK$1.0 million);

(iii) the Group's investment properties in Beijing, Mainland China of HK$2,340.1 million (31 December 2017: HK$2,350.8 million);

(iv) the Group's leasehold property in Hong Kong of HK$176.5 million (31 December 2017: HK$179.6 million); and

(v) 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 2018, the Group's total available banking facilities amounted to approximately HK$2,381 million (31 December 2017: HK$2,451 million), of which approximately HK$224 million (31 December 2017: HK$312 million) was unutilised.

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

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

	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Within one year	**431**	431
In the second year	**216**	432
	647	863
Future finance charges on finance leases	**(18)**	(32)
	629	831
The present value of finance lease liabilities is as follows:		
Within one year	**415**	408
In the second year	**214**	423
	629	831

20. SHARE CAPITAL

	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Issued and fully paid: 946,116,360 (31 December 2017: 946,116,360) ordinary shares of HK$0.01 each	**9,461**	9,461

21. COMMITMENTS

(a) Capital commitments

The Group had the following capital commitments at the end of the reporting period:

	30 June 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Contracted, but not provided for:		
Land and buildings	**41,352**	5,745
Plant and machinery	**2,423**	5,916
	43,775	11,661

(b) Operating lease commitments

As lessor

The Group leases out its investment properties (note 13) under operating lease arrangements for a term of fifteen 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 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Within one year	**70,526**	–
In the second to fifth years, inclusive	**517,330**	–
After five years	**3,354,896**	–
	3,942,752	–

21. 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 2018 (Unaudited) HK$'000	31 December 2017 (Audited) HK$'000
Within one year	**18,318**	19,845
In the second to fifth years, inclusive	**21,546**	27,836
After five years	**2,639**	3,694
	42,503	51,375

22. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

	Notes	For the six months ended 30 June 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
Sales of printers and toners to an associate, Yichun Yilian Print Tech Co., Ltd. ("Yichun Yilian")	(i)	**–**	10,325
Sales of LED lighting equipment to an associate, Yichun Yilian	(ii)	**23**	21
Rental expense paid to Profit Home Investments Limited	(iii)	**900**	900
Interest income from associates:			
P2 Mobile Technologies Limited ("P2MT")		**15**	15
Yichun Yilian	(v)	**258**	–
Loans to associates:			
P2MT	(iv)	**2,500**	1,850
Yichun Yilian	(v)	**12,048**	11,510
Iotronics Wireless Limited ("Iotronics")	(vi)	**1,745**	1,722
Good Smart Electronics Technology Limited ("Good Smart")	(vii)	**5,916**	5,916

22. RELATED PARTY TRANSACTIONS (Continued)

(a) The Group had the following transactions with related parties during the period **(continued):**

(i) Alltronics Tech. Mftg. Limited ("ATM"), 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 base 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 base 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 constitutes connected transaction as defined in Chapter 14A of the Listing Rules.

(iv) In April and May 2018, the Group provided loans of HK$1,000,000 and HK$1,500,000 to P2MT with an annual interest rate of 8%.

(v) The loan of HK$12,048,000 granted to Yichun Yilian bears interest at 4.35% per annum. During the period, the interest income generated from the loan was HK$258,000 (2017: Nil).

(vi) The loan of HK$1,745,000 granted to Iotronics is non-interest-bearing and repayable on demand.

(vii) The loan of HK$5,916,000 granted to Good Smart is non-interest bearing and repayable on demand.

22. RELATED PARTY TRANSACTIONS (Continued)

(b) Key Management Compensation

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Directors' fees	**925**	709
Salaries and other short-term employee benefit	**12,591**	11,390
Pension scheme contribution	**126**	117
	13,642	12,216

23. 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 an indirect wholly-owned subsidiary of the 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 June 2018, Jinma Changcheng as plaintiff applied to the court for judicial expertise over the rental prices and value of the Disputed Properties. On 11 July 2018, a valuation report provided by 北京華天通房地產評估有限公司 concluded that the value and rental prices of the Disputed Properties are RMB44,808,262 and RMB3,859,336 for the period of 1 January 2016 to 22 December 2017, and are RMB46,573,535 and RMB587,525 for the period of 23 December 2017 to 9 April 2018.

23. CONTINGENT LIABILITIES (Continued)

Taking into account of the fact that the Disputed Properties were auctioned to 涿州市萬豐商貿有限公司 by Baoding intermediate people's Court of Hebei Province on 12 December 2017, Beijing Chaoyang People's Court added 涿州市萬豐商貿有限公司 as a third party in this case according to law. The case was heard by Beijing Chaoyang People's Court on 28 August 2018, whereas no final decision has been made and the judgment date is unpredictable. 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 in spite of the judicial expertise conducted and will not have material impact to financial position of Beijing Wan Heng Da and the Group.

Save as disclosed above, there was no material contingent liability of the Group as at both 30 June 2018 and 31 December 2017.

24. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to conform with the current period's presentation and accounting treatment.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018.

FINANCIAL REVIEW

Revenue

Total turnover for the six months ended 30 June 2018 (the "Period") had increased by 8.4% to HK$732.6 million, as compared to HK$675.5 million for the same period in 2017. The increase in turnover was mainly due to the increase in rental income from investment properties recognised during the Period. The revenue from electronic products remained stable and has increased by 1%.

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

	For the six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Revenue from sales of electronic products	**602,181**	595,817
Rental income from investment properties held	**126,470**	77,121
Revenue from biodiesel products and energy efficient gas stoves	**2,122**	1,871
Revenue from energy saving business	**1,820**	734
	732,593	675,543

Sales of electronic products comprise sales of finished electronic products; plastic moulds and components; and other components for electronic products. Total sales revenue from electronic products had remained stable with a slight increase of 1%. During the Period, sales of irrigation controller products to the largest customer of the Group in the United States had dropped by HK$9.9 million from HK$226.1 million to HK$216.2 million.

The investment properties of the Group located at Beijing, known as "Pretty Shopping Centre", were under renovation work and have not received any rental from the tenant during the Period. In accordance with the Group's accounting policy on revenue recognition, rental income is recognised on a straight-line basis over the lease terms. Pursuant to this accounting policy, rental income of approximately HK$126.5 million was recognised in the income statement during the Period. As at the date of this report, the renovation work has been substantially completed and the Pretty Shopping Centre is expected to be reopened for business in September 2018.

The operations of the biodiesel products segment continued to remain at a low level during the Period and the sales revenue was HK$2.1 million.

Regarding the energy saving business segment, total revenue recognised during the Period was HK$1.8 million, as compared to HK$0.7 million in 2017. The revenue represented the energy saving revenue generated from retail stores of Suning.com Co., Ltd. ("Suning") and hotels operated by the HNA Group Co., Ltd. with LED lighting equipment installed. During the Period, the installation work at Suning retail stores continued.

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 41.5% of the total revenue for the Period (2017: 43.6%). Revenue from customers in the PRC had increased by HK$36.9 million mainly due to the increase in rental income recognised from the investment properties located at Beijing. Sales to customers in Europe had also increased by HK$28.3 million during the Period.

Gross profit

The overall gross profit margin had reduced from 31.4% for the six months period ended 30 June 2017 to 28.7% for 2018. The reduction was mainly due to the drop in the gross profit margin of certain electronic products as a result of fluctuation in raw material prices and increasing labour costs and overheads. In addition, certain production facilities had been relocated from Yangxi to Yichun which had caused temporary production halt and interruption. The efficiency level of the new production facilities at the early stage of operations was also low. These factors had affected the average gross profit margin for the Period. In view of the challenging market conditions, the Group will 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.

Expenses and finance costs

Administrative expenses had increased by HK$46.7 million and distribution costs had increased by HK$1.6 million during the Period. The increase in administrative expenses was mainly due to renovation costs of approximately HK$51.0 million incurred for the investment properties. In addition, overall staff costs, including directors' emoluments, had increased by HK$37.8 million. The increase in distribution costs was mainly due to increase in business volume and freight charges.

Total finance costs had increased by HK$14.1 million which was mainly due to the increase in interests paid for the bank loans to finance the investment properties and increase in borrowings.

Other operating income/expenses

During the Period, the fair value of the investment properties held had been reassessed as at 30 June 2018 and a fair value gain of HK$21.8 million was recognised. The Group's effective equity interests in an associated company had been diluted due to the introduction of new investors, and a gain on deemed disposal of partial interests in the associated company of HK$17.6 million was recognised.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period was HK$35.4 million, compared to HK$57.1 million for the same period in 2017. The decrease was mainly due to the reduction in the gross profit margin on electronic products segment and additional expenses were incurred on relocation of production facilities from Yangxi to Yichun.

PRODUCTION FACILITIES

During the Period, the production facilities at Yangxi had been closed down and new production facilities with higher production capacity for the electronic products segment had been set up at Yichun, the PRC, so as to cope with the increasing demand from customers and for production of new products to be launched. 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 Yichun. During the Period, the Group spent approximately HK$9.0 million to acquire property, plant and equipment to enhance its production capacity.

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 2018, the Group's total cash and cash equivalents, net of current bank overdrafts, amounted to HK$98.9 million. The net funds are sufficient to finance the Group's working capital and capital expenditure plans.

At 30 June 2018, total borrowings of the Group amounted to HK$2,157.3 million, comprising bank overdrafts of HK$27.5 million, bank loans of HK$2,127.5 million, trust receipt loans of HK$1.7 million and obligations under finance leases of HK$0.6 million, of which HK$380.7 million are denominated in Hong Kong dollars and HK$1,776.6 million are denominated in RMB.

The Group's trade receivable turnover, inventory turnover and trade payable turnover were approximately 63 days, 86 days and 75 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.

As at 30 June 2018, the Group's total current assets had increased by 6.5% to HK$891.8 million compared to HK$837.6 million as at 31 December 2017, and the Group's total current liabilities had increased by 8.7% to HK$986.7 million compared to HK$907.4 million as at 31 December 2017. The current ratio (current assets/ current liabilities) as at 30 June 2018 was 0.90 times, compared to 0.92 times as at 31 December 2017.

During the Period, the Company had not issued any new shares and had not repurchased any of its own shares on the Stock Exchange.

At 30 June 2018, 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 2018, the Company did not have any share options outstanding.

CASH FLOWS

The net balance of cash, cash equivalents and bank overdrafts at 30 June 2018 was HK$98.9 million, which had decreased by HK$54.0 million compared to the balance at 31 December 2017.

The net cash used in operating activities for the Period was HK$40.8 million. The net cash used in investing activities amounted to HK$1.5 million, which was mainly due to HK$7.3 million being paid for the acquisition of property, plant and equipment, HK$1.2 million was received from disposal of property, plant and equipment, and the decrease in non-current long term receivables of HK$4.6 million.

On the other hand, there was a net cash outflow of HK$13.5 million from financing activities. During the Period, new borrowings of HK$94.8 million were obtained, HK$61.0 million was used to repay borrowings and finance leases, and HK$47.3 million was paid to shareholders as dividend.

CAPITAL EXPENDITURE

During the Period, the Group acquired property, plant and equipment at a total cost of HK$9.0 million, mainly financed by internal resources of the Group. Most of these additions were for the set up of new production facilities at Yichun.

PLEDGE OF ASSETS

At 30 June 2018, the Group had total bank borrowings (excluding obligations under finance leases) of HK$2,156.7 million, out of which HK$1,776.6 million were secured by the investment properties of HK$2,340.1 million; HK$63.6 million were secured by the leasehold property of HK$176.5 million and HK$8.5 million were secured by short-term bank deposits of HK$8.7 million and trade receivables of HK$1.0 million.

DEBT POSITION AND GEARING

As at 30 June 2018, the Group has net debts (being total bank and other borrowings net of cash and cash equivalents) of approximately HK$2,030.9 million (31 December 2017: HK$1,968.0 million). The total equity was approximately HK$538.7 million (31 December 2017: HK$548.9 million). The net debts at 30 June 2018 were mainly due to the bank loans of HK$1,776.6 million (RMB1,500 million) to finance the acquisition of the investment properties of the Group. These bank loans are secured by the Group's investment properties with a carrying value of HK$2,340.1 million as at 30 June 2018.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the maintaining appropriate debt and equity balance. The directors of the Company review the capital structure of the Group on a regular basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through various alternatives including the payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.

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 an indirect wholly-owned subsidiary of the 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 June 2018, Jinma Changcheng as plaintiff applied to the court for judicial expertise over the rental prices and value of the Disputed Properties. On 11 July 2018, a valuation report provided by 北京華天通房地產評估有限公司 concluded that the value and rental prices of the Disputed Properties are RMB44,808,262 and RMB3,859,336 for the period of 1 January 2016 to 22 December 2017, and are RMB46,573,535 and RMB587,525 for the period of 23 December 2017 to 9 April 2018.

Taking into account of the fact that the Disputed Properties were auctioned to 涿州市萬豐商貿有限公司 by Baoding Intermediate People's Court of Hebei Province on 12 December 2017, Beijing Chaoyang People's Court added 涿州市萬豐商貿有限公司 as a third party in this case according to law. The case was heard by the Beijing Chaoyang People's Court on 28 August 2018, whereas no final decision has been made and the judgement date is unpredictable. 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 in spite of the judicial expertise conducted and will not have material impact to financial position of Beijing Wan Heng Da and the Group.

Save as disclosed above, there was no material contingent liability of the Group as at both 30 June 2018 and 31 December 2017.

EMPLOYEES

At 30 June 2018, the Group had 3,455 employees, of which 78 were employed in Hong Kong and 3,377 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 2018, 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.

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 actions 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 2018, 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 is cautiously optimistic for the second half of 2018 though the global economic environment will remain uncertain. Factors such as the ongoing global trade disputes, the limited supply of certain critical electronic components, the risk of fluctuation of exchange rate of Renminbi against United States dollars and Hong Kong dollars and the risk of fluctuation of interest rate will continue to affecting the performance of the Group's electronic products segment. The Group will continue its efforts to manage these factors and 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 stable in the second half of 2018. In addition, new products including new models of walkie-talkie products, intelligent educational toys and photolysis air purifiers will provide strong momentum for the growth in revenue in the second half of 2018 and in 2019. During the Period, the Group has set up new production facilities at Yichun for its electronic products and components so as to expand its overall production capacity to cope with the increasing demand from customers and for production of new products to be launched. The Group has confidence that the overall performance of the electronic products segment will remain strong in the near future.

The ongoing trade disputes between the United States and the PRC may further escalate geopolitical tensions and may lead to negative impact to the global economy. The Group is working closely with its customers affected looking for ways to mitigate any effects that the potential tariffs may have if they are fully implemented. The final outcome of these disputes may have an impact on the Group's performance in the future.

In terms of geographical market, the Group foresees that United States will still be the major market for its products in 2018. The Group will continue to devote efforts to explore new markets and new customers to broaden its customer base.

Yichun Yilian Print Tech. Co., Ltd. ("Yichun Yilian") is an 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, new investors had injected additional capital into Yichun Yilian and the equity interests of the Group in Yichun Yilian had been diluted to 40.4% as at 30 June 2018. As at 30 June 2018, Yichun Yilian has distributed over 15,000 printers to universities, colleges and other locations 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. During the Period, Yichun Yilian had also established new channels to sell its printers and printing services through internet platforms.

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

The renovation work at the Group's investment properties located in Beijing, namely Pretty Shopping Centre, was close to completion and the shopping mall will be reopened for business in September 2018. The shopping mall is currently fully lease out and will generate a constant incoming revenue stream to the Group in the future.

Biodiesel products and energy saving gas stoves segment

The Group expects that the revenue from biodiesel products will remain stable during the second half of 2018.

The Group expects the operations of the energy efficient gas stoves business will have a steady growth in the second half of 2018.

Energy saving business

The LED lighting equipment installation work for the retail stores of Suning continued during the Period and as at 30 June 2018, over 600 retail stores of Suning have completed the installation work and generating energy saving revenue. The Group will continue the installation work at other retail stores of Suning during the second half of 2018.

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

At the annual general meeting of the Company held on 7 June 2016, a 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 2018 and the year ended 31 December 2017, there were no share options granted, exercised, cancelled or lapsed under the 2016 Share Option Scheme. As at 30 June 2018 and 31 December 2017, there were no outstanding share options issued under the 2016 Share Option Scheme.

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 AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 30 June 2018, 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 2018

		Number of shares held				
Name of Director		Personal interests	Family interests	Corporate interests	Total	% of the issued share capital of the Company
Mr. Lam Yin Kee	Long positions	6,082,922	–	439,740,000	445,822,922	47.12
Ms. Yeung Po Wah	Long positions	–	445,822,922	–	445,822,922	47.12
Ms. Liu Jing	Long positions	95,509,600	–	–	95,509,600	10.09
Mr. Lam Chee Tai, Eric	Long positions	3,018,708	–	–	3,018,708	0.32

Notes:

1. 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.

2. Mr. Lam Yin Kee and Ms. Yeung Po Wah are directors and beneficial owners of Profit International Holdings Limited.

3. Mr. Lam Chee Tai, Eric is the son of Mr. Lam Yin Kee and Ms. Yeung Po Wah.

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 2018

None of the Directors and Chief Executives has held any share options as at 30 June 2018.

(c) Interests in an associated corporation, Profit International Holdings Limited (Ordinary share of US$1 each) at 30 June 2018

		Number of shares held				
Name of Director		Personal interests	Family interests	Corporate interests	Total	% of the issued share capital of the associated corporation
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 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 as at 30 June 2018, 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.

		Number of shares held			
Name		Personal interests	Nature of interest	Total	% of the issued share capital of the Company
Profit International Holdings Limited	Long positions	439,740,000	Beneficially owned	439,740,000	46.48
Ms. Liu Jing	Long positions	95,509,600	Beneficially owned	95,509,600	10.09
Wealth Channel Global Limited ("Wealth Channel") (Note 1)	Long positions	41,313,564	Beneficially owned	41,313,564	4.37
Diamond Path International Investments Limited ("Diamond International") (Note 1)	Long positions	41,313,564	Interest of a controlled corporation	41,313,564	4.37

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

		Number of shares held			
Name		Personal interests	Nature of interest	Total	% of the issued share capital of the Company
Diamond Path Investments Limited ("Diamond Investments") (Note 1)	Long positions	41,313,564	Interest of a controlled corporation	41,313,564	4.37
Huarong Investment Stock Corporation Limited ("Huarong Investment") (Note 1)	Long positions	41,313,564	Interest of a controlled corporation	41,313,564	4.37
Right Select International Limited ("Right Select") (Note 1)	Long positions	41,313,564	Interest of a controlled corporation	41,313,564	4.37
Lijiang Investment Holdings Limited (Note 2)	Long positions	94,611,636	Beneficially owned	94,611,636	10.00

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

		Number of shares held			
Name		Personal interests	Nature of interest	Total	% of the issued share capital of the Company
China Huarong International Holdings Limited ("Huarong International") (Notes 1 and 2)	Long positions	135,925,200	Interest of a controlled corporation	135,925,200	14.37
Huarong Real Estate Co., Ltd. ("Huarong Real Estate") (Notes 1 and 2)	Long positions	135,925,200	Interest of a controlled corporation	135,925,200	14.37
China Huarong Asset Management Co., Ltd. ("China Huarong") (Notes 1 and 2)	Long positions	135,925,200	Interest of a controlled corporation	135,925,200	14.37
The Ministry of Finance of the People's Republic of China (Notes 1 and 2)	Long positions	135,925,200	Interest of a controlled corporation	135,925,200	14.37

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

Notes:

(1) 41,313,564 shares of the Company were beneficially owned by Wealth Channel which is wholly-owned by Diamond International. Diamond International is wholly-owned by Diamond Investments, which is a company wholly-owned by Huarong Investment. Right Select owns 50.99% interests in Huarong Investment. Right Select is a wholly-owned subsidiary of Huarong International.

(2) 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 owned as to 88.1% by Huarong Real Estate, which 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, Huarong Real Estate, China Huarong and The Ministry of Finance of the People's Republic of China are deemed to be interested in 135,925,200 shares of the Company in aggregate.

Save as disclosed above and so far as the Directors and Chief Executives of the Company are aware of, as at 30 June 2018, 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.

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.

The interim condensed consolidated financial statements have been reviewed by the Audit Committee at a meeting held on 30 August 2018, 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

There were no changes in directors' information since publication of the 2017 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.

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, 30 August 2018

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

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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
Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

WEBSITE

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