亞洲聯網科技有限公司

ASIA TELE-NET AND TECHNOLOGY CORPORATION LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 679)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31st DECEMBER, 2009

The Board of Directors (the "Board") of Asia Tele-Net and Technology Corporation Ltd (the "Company") announced that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2009 ("Period Under Review") together with last year's comparative figures are as follows:–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2009

		2009	2008
	NOTES	***HK$'000***	*HK$'000*
Revenue	*6*	**195,359**	481,497
Direct costs		**(160,593)**	(379,935)
Gross profit		**34,766**	101,562
Other gains and losses	*7*	**6,176**	65,290
Bad debts recovered		**4,111**	1,384
Other income		**2,787**	4,194
Selling and distribution costs		**(14,081)**	(18,985)
Administrative expenses		**(80,987)**	(111,071)
Allowance for bad and doubtful debts		**(9,275)**	(14,486)
Finance costs	*8*	**(222)**	(1,620)
Share of results of associates		**397**	(1,825)
(Loss) profit before taxation		**(56,328)**	24,443
Taxation	*9*	**25**	(810)
(Loss) profit for the year	*10*	**(56,303)**	23,633

	NOTES	2009 HK$'000	2008 HK$'000
Other comprehensive income (expense)			
Increase in fair value of available-for-sale investments		**412**	1,474
Exchange difference arising on translation of foreign subsidiaries and associate		**493**	14,637
Reclassification of translation reserve upon disposal of an associate		**–**	(4,893)
Reclassification of revaluation reserve upon disposal of available-for-sale investments		**(412)**	(1,474)
Recognition of actuarial gain (loss) on defined benefits plan		**537**	(1,107)
Other comprehensive income for the year		**1,030**	8,637
Total comprehensive (expense) income for the year		**(55,273)**	32,270
(Loss) profit for the year attributable to:			
Owners of the Company		**(54,277)**	22,447
Minority interests		**(2,026)**	1,186
		(56,303)	23,633
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(53,252)**	31,042
Minority interests		**(2,021)**	1,228
		(55,273)	32,270
(Loss) earnings per share – Basic	11	**HK(12.73) cents**	HK5.26 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER, 2009

	NOTES	**2009** HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment		**78,002**	84,567
Prepaid lease payments		**16,175**	16,508
Interests in associates		**933**	541
Available-for-sale investments		**113**	2,373
Loans receivable		**3,234**	307
		98,457	104,296
Current assets			
Inventories		**31,659**	38,404
Amounts due from customers for contract work		**22,941**	9,999
Loans receivable		**5,701**	8,032
Debtors, deposits and prepayments	*12*	**68,563**	185,239
Prepaid lease payments		**349**	349
Held-for-trading investments		**36,823**	13,681
Amounts due from associates		**796**	620
Taxation recoverable		**108**	3,610
Pledged bank deposits		**2,174**	10,711
Bank balances and cash		**116,171**	150,705
		285,285	421,350
Current liabilities			
Creditors, bills payable and accrued charges	*13*	**84,668**	156,141
Retirement benefit obligations		**163**	711
Warranty provision		**8,350**	10,842
Amounts due to customers for contract work		**9,201**	15,474
Amounts due to associates		**98**	–
Obligations under finance leases due within one year		**227**	2,251
		102,707	185,419
Net current assets		**182,578**	235,931
Total assets less current liabilities		**281,035**	340,227

	NOTES	2009 HK$'000	2008 HK$'000
Capital and reserves			
Share capital		**4,265**	4,265
Reserves		**267,120**	320,372
Equity attributable to the owners of the Company		**271,385**	324,637
Minority interests		**4,323**	7,975
Total equity		**275,708**	332,612
Non-current liabilities			
Warranty provision		**1,012**	3,278
Obligations under finance leases due after one year		**–**	20
Deferred taxation		**4,315**	4,317
		5,327	7,615
		281,035	340,227

Notes:

1. GENERAL

The Company is incorporated in Bermuda under The Companies Act 1981 of Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed in the "Corporation Information" section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is the same as the functional currency of the Company.

The Company is an investment holding company and its principal subsidiaries are mainly engaged in electroplating equipment business.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) – INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

The restatement represents reclassification of certain items of the consolidated statement of comprehensive income for the year ended 31st December, 2008 for comparative purpose and have no impact on the financial position as at 31st December, 2008 and as at 1st January, 2008. Accordingly the consolidated statement of financial position as at 1st January, 2008 is not presented.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see note 6).

Amendments to HKFRS 7 – Financial Instruments: Disclosures

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

HKAS 23 (Revised 2007) Borrowing Costs

In previous years, the Group expensed all borrowing costs when they were incurred. HKAS 23 (Revised 2007) removes the option previously available to expense all borrowing costs when incurred. The adoption of HKAS 23 (Revised 2007) has resulted in the Group changing its accounting policy to capitalise all such borrowing costs as part of the cost of the qualifying asset. The revised accounting policy does not have a material effect on the reported results and financial position of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised Standards. Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related party disclosures[6]
HKAS 27 (Revised)	Consolidated and separate financial statements[1]
HKAS 32 (Amendment)	Classification of rights issues[4]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters[3]
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters[5]
HKFRS 2 (Amendments)	Group cash-settled share-based payments transactions[3]
HKFRS 3 (Revised)	Business combinations[1]
HKFRS 9	Financial instruments[7]
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a minimum funding requirement[6]
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners[1]
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instrument[5]

1 Effective for annual periods beginning on or after 1st July, 2009.
2 Amendments that are effective for annual periods beginning on or after 1st July, 2009 and 1st January, 2010, as appropriate.
3 Effective for annual periods beginning on or after 1st January, 2010.
4 Effective for annual periods beginning on or after 1st February, 2010.
5 Effective for annual periods beginning on or after 1st July, 2010.
6 Effective for annual periods beginning on or after 1st January, 2011.
7 Effective for annual periods beginning on or after 1st January, 2013.

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1st January, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1st January, 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specially, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 will affect the classification and measurement of the Group's financial assets.

In addition, as part of "Improvements to HKFRSs 2009", HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. The amendments will be effective from 1st January, 2010, with earlier application permitted. Before the amendments to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risk and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land at revalued amount.

The directors of the Company anticipate that the application of the other new or revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain buildings and financial instruments, which are measured at revalued amounts or fair values.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowances for bad and doubtful debts

When there is objective evidence that loans and receivables, trade debtors and other debtors may be impaired, the Group estimates the future cash flows of the those balances. The amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets' original effective interest rate (i.e. the effective interest rate computed on initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31st December, 2009, the carrying amount of loans receivable is HK$8,935,000 (2008: HK$8,339,000) with no allowance for bad and doubtful debts, trade debtors is HK$50,866,000 (2008: HK$163,881,000) (net of allowance for bad and doubtful debts of HK$31,785,000 (2008: HK$33,357,000)), and other debtors is HK$9,177,000 (2008: HK$12,504,000) (net of allowance for bad and doubtful debts of HK$6,607,000 (2008: HK$2,090,000)).

Provision for warranties

The provision of warranties of the Group is determined based on the management's best estimate of the Group's liabilities under a 1-2 year warranty period granted for the electroplating products based on its past experience. The actual settlement may differ from the estimation made by the management. If the amounts are settled for an amount greater than management's estimation, a future charge to the consolidated statement of comprehensive income will be recognised in profit or loss when the amounts are settled. Likewise, if the amounts are settled for an amount that is less than management's estimation, a future credit to consolidated statement of comprehensive income will be recognised in profit or loss when the amounts are settled.

Allowance for inventories

The management of the Group reviews an aging analysis at the end of the reporting period, and makes allowance for obsolete and slow moving inventory items identified that are not suitable for use in current production. The management estimates the net realisable value for raw materials based primarily on the latest invoice prices and current market conditions. However, given the competitiveness of the industry, these prices may subsequently be affected. The Group carries out an inventory review on an item-by-item basis at the end of the reporting period and makes allowance for these items. As at 31st December, 2009, the carrying amount of inventories is HK$31,659,000 (2008: HK$38,404,000). Allowance for slow moving inventories of HK$3,917,000 was made in consolidated statement of comprehensive income during the year ended 31st December, 2009 (2008: HK$182,000).

5. CAPITAL RISK MANAGEMENT

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 optimisation of the debt and equity balance. The Group's overall strategy remains unchanged for both years.

The capital structure of the Group consists of debt, which includes the obligations under finance leases, and equity attributable to equity holders of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure on a continuous 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 the payment of dividends and issuance of new shares as well as the addition of new borrowings and the repayment of existing obligations under finance leases.

6. REVENUE AND SEGMENT INFORMATION

Revenue

The Group's revenue for the year ended 31st December, 2009 and 2008 analysed by principal activity is as follows:

	2009	2008
	HK$'000	*HK$'000*
Revenue from electroplating machinery business:		
Construction contracts in respect of design, manufacturing and sale of custom-built electroplating machinery and other industrial machinery	**167,306**	422,761
Sale of spare parts of electroplating machinery	**20,258**	28,270
Provision of services – repairs and maintenance	**7,795**	30,466
	195,359	481,497

Segment information

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st January, 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess its performance. In contrast, the predecessor standard, HKAS 14 "Segment Reporting" required an entity to identify two sets of segments (business and geographical) using a risk and return approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has resulted in a re-designation of the Group's operating segments as compared with the primary segments determined in accordance with HKAS 14.

In prior years, primary segment information was analysed on the basis of business segments, comprising of electroplating equipment and other operations. However, information reported to the chief operating decision maker, the chairman of the board of directors who is also the managing director of the Group, for the purposes of resources allocation and performance assessment, focuses on the overall performance of the electroplating equipment business as a whole, which includes the design, manufacturing and sale of custom-built electroplating equipment, sale of spare parts of electroplating machinery and provision of repairs and maintenance services. Accordingly, under HKFRS 8, the Group has only one operating segment. Information regarding the above segment is reported below. Amounts reported for the prior year have been restated to conform to the requirement of HKFRS 8.

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating segment:

	2009	2008
	HK$'000	*HK$'000*
Revenue from electroplating equipment	**195,359**	481,497
Segment loss	**(55,822)**	(24,254)
Intra-group management fee charged to operating segment	**2,242**	2,813
Other income	**2,168**	2,767
Central corporate expenses	**(29,152)**	(27,033)
Net change in fair value of held-for-trading investments	**23,609**	(28,309)
Gain on disposal of an associate	**–**	102,097
Share of results of associates	**397**	(1,825)
Impairment loss on investment in associates	**–**	(1,013)
Impairment loss on available-for-sale investments	**(182)**	(2,274)
Gain on disposal of available-for-sale investments	**412**	1,474
(Loss) profit before taxation	**(56,328)**	24,443

The accounting policies of the operating segment are the same as the Group's accounting policies described in note 3. Segment loss represents the gross profit of the segment plus its own segment's other income and expenses (including intra-group management fee) without allocation of interest income from loans receivables, dividend income and sundry income, central administration costs including auditor's remuneration, net change in fair value of held-for-trading investments, gain on disposal of associate, share of results of associates, impairment loss on investment in associates, impairment loss on available-for-sale investments and gain on disposal of available-for-sale investments. This is the measure reported to the chief operating decision maker in order to allocate resources to segments and to assess segment performance.

Segment assets and liabilities

The following is an analysis of the Group's segment assets and segments liabilities that are regularly reviewed by the chief operating decision maker:

	2009	2008
	HK$'000	*HK$'000*
Segment assets	**208,080**	322,784
Property, plant and equipment (for corporate)	**1,007**	1,860
Prepaid lease payments (for corporate)	**5,180**	5,180
Interests in associates	**933**	541
Available-for-sale investments	**113**	2,373
Loans receivable	**8,935**	8,339
Other debtors, deposits and prepayments (for corporate)	**3,422**	5,242
Held-for-trading investments	**36,823**	13,681
Amounts due from associates	**796**	620
Taxation recoverable	**108**	3,610
Pledged bank deposits	**2,174**	10,711
Bank balances and cash	**116,171**	150,705
Consolidated total assets	**383,742**	525,646
Segment liabilities	**101,576**	183,086
Other creditors and accrued charges (for corporate)	**1,818**	3,360
Amounts due to associates	**98**	–
Obligations under finance leases	**227**	2,271
Deferred taxation	**4,315**	4,317
Consolidated total liabilities	**108,034**	193,034

For the purposes of monitoring segment performances and allocating resources to the segment:

- All assets are allocated to segment other than interests in associates, available-for-sale investments, loan receivable, held-for-trading investments, amount due from associates, taxation recoverable, pledged bank deposits and bank balances and cash of the Group, and corporate assets of the Group.

- All liabilities are allocated to segment other than amounts due to associates, obligations under finance leases and deferred taxation of the Group, and corporate liabilities of the Group.

Other segment information

	Segment	
	2009	2008
	HK$'000	*HK$'000*
Amounts included in the measure of segment result or segment assets:		
Allowance for bad and doubtful debts for trade and other debtors	**9,275**	12,396
Allowance for slow moving inventories	**3,917**	182
Bad debts recovered	**4,071**	343
Finance costs	**222**	1,620
Capital additions	**5,232**	9,888
Loss (gain) on disposal of property, plant and equipment	**767**	(3,188)
Payment of prepaid lease	**–**	4,212
Depreciation	**10,117**	8,306
Release of prepaid lease payments	**350**	303
Provision for warranty	**2,114**	6,848

	Unallocated	
	2009	2008
	HK$'000	*HK$'000*
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:		
Allowance for bad and doubtful debts for other receivables	**–**	2,090
Bad debts recovered	**40**	1,041
Capital additions	**28**	1,757
Depreciation	**880**	557
Interest income	**839**	1,304

Geographical information

The Group's operations are mainly located in Hong Kong, the PRC, Taiwan, Europe, the United States of America and other Asia countries.

The following table provides an analysis of the Group's revenue by location of external customers.

	2009	2008
	HK$'000	*HK$'000*
PRC	**75,861**	140,206
Europe	**29,691**	66,216
Taiwan	**26,570**	121,462
India	**21,540**	1,241
Mexico	**11,755**	–
Hong Kong	**7,468**	48,513
Singapore	**5,392**	2,470
The United States of America	**5,016**	14,555
Australia	**4,912**	3,421
United Arab Emirates	**2,208**	–
Philippines	**1,855**	60,578
Japan	**523**	7,261
Malaysia	**–**	1,015
Other South East Asia countries	**2,145**	10,298
Others	**423**	4,261
	195,359	481,497

The following is the information about non-current assets other than financial instruments by the geographical area in which the assets are loacted:

	2009	2008
	HK$'000	*HK$'000*
Hong Kong	**43,761**	46,718
PRC	**49,948**	53,757
Others	**1,401**	1,141
	95,110	101,616

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2009	2008
	HK$'000	*HK$'000*
Customers A	**25,056**	–[1]
Customers B	**–[1]**	59,498

[1] *The corresponding revenue did not contributed over 10% of total sales of the Group.*

7. OTHER GAINS AND LOSSES

	2009	2008
	HK$'000	*HK$'000*
Net change in fair value of held-for-trading investments	**23,609**	(28,309)
Gain on disposal of an associate	**–**	102,097
Impairment loss on investments in associates	**–**	(1,013)
Impairment loss on available-for-sale investments	**(182)**	(2,274)
Gain on disposal of available-for-sale investments	**412**	1,474
Net exchange loss	**(12,662)**	(8,210)
(Loss) gain on disposal of property plant and equipment	**(767)**	3,188
Other losses	**(4,234)**	(1,663)
	6,176	65,290

8. FINANCE COSTS

	2009	2008
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings wholly repayable within five years	**–**	1,387
Finance leases	**222**	233
	222	1,620

9. TAXATION

The taxation (credit) charge comprises:

	2009	2008
	HK$'000	*HK$'000*
Overseas taxation		
Charge for the year	**–**	816
Overprovision in prior years	**(23)**	–
Deferred taxation	**(2)**	(6)
Taxation attributable to the Company and its subsidiaries	**(25)**	810

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit for the both years.

Overseas taxation (including PRC enterprise income tax) is calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the relevant laws and regulations in the PRC, a PRC subsidiary of the Group charged under preferential tax rate is exempted from PRC enterprise income tax for the first two years commencing from its first profit-making year of operation and thereafter, that PRC subsidiary will be entitled to a 50% relief for PRC enterprise income tax for the following two years ("Tax preference"). The reduced tax rate for the relief period is 10% (2008: 9%). The charge of PRC enterprise income tax for the years has been provided for after taking these tax incentives into account.

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations changes the PRC Enterprise Income Tax rate to 25% and affect the PRC subsidiaries of the Group from 1st January, 2008.

On 16th December, 2007, the State Council of the PRC issued a circular on the implementation of transitional preferential policies for PRC enterprise income tax. The subsidiary that is currently entitled to preferential tax rate under the old PRC Enterprise Income Tax Law can gradually transit to the new tax rate of 25% within 5 years after the enforcement of the New Law at a tax rate of 18%, 20%, 22%, 24% and 25% in year 2008, 2009, 2010, 2011 and 2012 respectively.

The subsidiary that originally enjoys the Tax preference can continue enjoying the tax preference based on the tax rate stated above until after the expiration of the tax preference. The directors consider that the effect on the deferred tax balance is insignificant.

The tax (credit) charge for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of comprehensive income as follows:

	2009	2008
	HK$'000	*HK$'000*
(Loss) profit before taxation	**(56,328)**	24,443
Tax at the income tax rate of 16.5%	**(9,294)**	4,033
Tax effect of share of results of associates	**(65)**	301
Tax effect of expenses not deductible for tax purpose	**2,234**	868
Tax effect of income not taxable for tax purpose	**(370)**	(17,095)
Tax effect of tax losses not recognised	**11,051**	15,315
Tax effect of deductible temporary difference not recognised	**1,087**	518
Utilisation of tax losses previously not recognised	**(4,035)**	(1,283)
Effect of tax relief grant to a PRC subsidiary	**–**	(1,167)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(703)**	(637)
Overprovision in prior years	**(23)**	–
Others	**93**	(43)
Taxation for the year	**(25)**	810

10. (LOSS) PROFIT FOR THE YEAR

	2009 *HK$'000*	2008 *HK$'000*
(Loss) profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration:		
– Current year	**1,225**	1,293
– Underprovision in prior years	**71**	275
	1,296	1,568
Cost of inventories recognised as expenses (including allowance for slow moving inventories of HK$3,917,000 (2008: HK$182,000))	**99,198**	303,514
Depreciation of property, plant and equipment	**10,997**	8,863
Release of prepaid lease payments	**350**	303
Operating lease payments in respect of rented premises	**1,912**	2,813
Staff costs:		
Directors' fee	**180**	180
Directors' salaries and other benefits	**8,386**	7,962
Salaries and allowances	**54,081**	89,110
Retirement benefits schemes expenses	**46**	94
Contributions to retirement contributions schemes	**1,558**	1,852
	64,251	99,198
Interest income from loans receivable	**(548)**	(594)
Investment income		
Interest earned on bank deposits	**(171)**	(544)
Other interest income from overdue trade debtors	**(120)**	(166)
Dividend income from		
– Held-for-trading investments (listed equity securities)	**(14)**	(449)
– Available-for-sale investments (unlisted equity securities)	**(739)**	(325)
	(1,044)	(1,484)

11. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share is based on the following data:

	2009 *HK$'000*	2008 *HK$'000*
(Loss) earnings for the purposes of basic (loss) earnings per share ((Loss) profit for the year attributable to owners of the Company)	**(54,277)**	22,447
	'000	*'000*
Number of ordinary shares for the purpose of basic (loss) earnings per share	**426,463**	426,463

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2009	2008
	HK$'000	*HK$'000*
Trade debtors	**82,651**	197,238
Less: Allowance for bad and doubtful debts	**(31,785)**	(33,357)
	50,866	163,881
Other debtors and prepayments	**17,697**	21,358
	68,563	185,239

As at 31st December, 2009, the trade debtors balance included trade debts due from associates of HK$5,142,000 (2008: HK$2,470,000).

The following is an aged analysis of trade debtors and net of allowance for bad and doubtful debts as at the end of the reporting period:

	2009	2008
	HK$'000	*HK$'000*
Within the payment terms	**30,264**	129,063
Overdue by:		
1 – 60 days	**7,916**	19,308
61 – 120 days	**2,792**	7,933
121 – 180 days	**2,679**	2,151
Over 180 days	**7,215**	5,426
	50,866	163,881

The Group allows a general credit period of one month to its trade customers except construction contracts where the Group allows stage payments. Each construction contract will normally involve two to six stage payments, namely deposit payment, shipment payment, arrival payment, installation completion payment, chemical testing payment and acceptance payment. It will take at least one year from the time the electroplating machine is shipped before a construction contract will reach the acceptance stage. In most of the cases, invoice is due on presentation and credit will only be offered to customers in accordance with their financial credit abilities and established payment records.

As at 31st December, 2009, trade debtors of HK$20,602,000 (2008: HK$34,818,000) were past due but not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these trade receivables is 103 days (2008: 89 days) as at 31st December, 2009.

Aging of trade debtors which are past due but not impaired at the end of the reporting period:

	2009	2008
	HK$'000	*HK$'000*
1 – 60 days	**7,916**	19,308
61 – 120 days	**2,792**	7,933
121 – 180 days	**2,679**	2,151
Over 180 days	**7,215**	5,426
	20,602	34,818

Movement in the allowance for bad and doubtful debts

	2009	2008
	HK$'000	*HK$'000*
Balance at beginning of the year	**33,357**	21,304
Impairment losses recognised on trade debtors	**2,668**	12,396
Bad debt recovered	**(4,071)**	(343)
Written off as against trade debtors	**(169)**	–
Balance at end of the year	**31,785**	33,357

Included in the allowance for doubtful debts of HK$31,785,000 (2008: HK$33,357,000) are individually impaired trade debtors, which were in severe financial difficulties. The Group has provided fully for these debts.

In determining the recoverability of a trade debtor, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the statement of financial position date. The trade debtors past due but not impaired for were either subsequently settled or no historical default of payments by the respective customers. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

During the year ended 31st December, 2009, the directors of the Company determined that there was impairment loss of HK$6,607,000 (2008: HK$2,090,000) for other debtors in which the directors considered the amount is uncollectible.

The trade debtors that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	NTD	GBP	USD	EUR
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st December, 2009	**–**	**209**	**37,191**	**12,551**
As at 31st December, 2008	189	63	110,137	38,277

13. CREDITORS, BILLS PAYABLE AND ACCRUED CHARGES

	2009	2008
	HK$'000	*HK$'000*
Trade creditors	**50,507**	86,756
Bills payable	**–**	222
Accrued staff costs	**9,536**	21,132
Commission payables and sales agents	**10,381**	29,310
Other accrued charges	**13,080**	12,943
Advances received from customers for contract work	**1,164**	5,778
	84,668	156,141

The following is an aged analysis of trade creditors and bills payable as at the end of the reporting period in which is based on the invoice dates of the amounts due:

	2009	2008
	HK$'000	*HK$'000*
0 – 60 days	**28,431**	36,922
61 – 120 days	**3,231**	19,236
121 – 180 days	**5,932**	17,057
Over 180 days	**12,913**	13,763
	50,507	86,978

The average credit period on purchase of goods is 60 – 120 days.

The trade creditors and bills payable that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	USD	**NTD**	**GBP**	**EUR**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st December, 2009	**28,702**	**1,637**	**62**	**2,390**
As at 31st December, 2008	24,718	2,352	164	3,007

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSIONS

Financial results

The Group's audited consolidated turnover for the year ended 31st December 2009 ("the Period Under Review") was approximately HK$195,359,000 representing a decrease of 59% compared to the year ended 2008 ("the Previous Period") which was approximately HK$481,497,000. The operating net loss was approximately HK$54,277,000 for the Period Under Review compared to the operating net profit of approximately HK$22,447,000 for the Pervious Period. The decrease in turnover and the operating net loss are further explained in following sections.

The basic loss per share for the Period Under Review was HK12.73 cents. The basic earnings per share for the Period Under Review was HK5.26 cents.

Business review on electroplating equipment (under the trade name of "PAL")

The turnover for the Period Under Review is approximately HK$196 million which is 59% less than in the Previous Period. Approximately 61% turnover came from PCB sector (the Previous Period: approximately 69%), approximately 39% turnover came from surface finishing sector (the Previous Period: approximately 18%) and 0% turnover came from solar cell sector (the Previous Period: approximately 13%). In terms of installation base, 29% machines were installed in China, 19% were installed in Taiwan, 13% were installed in India, 14% were installed in Spain, 8% in Mexico and 17% were in rest of the world.

The gross margin for the Period Under Review has dropped by 4%. It was largely due to the drop in selling price because of the increased competition when the market was in general lack of investment sentiments during the first three quarters.

(a) Electroplating equipment – printed circuit boards ("PCB") sector

This sector is traded through our subsidiary Process Automation International Ltd.

As reported in last interim report, due to the invisibility of orders, most of our customers have not just withheld their expansion plan on production capacity, a range of measures were implemented in early 2009 to eliminate the idle capacity. Measures include a lengthy Chinese New Year holidays followed by a period of mandatory no-pay leave, staff retrenchment, reduced pay and closing part of the facilities etc. We have also implemented several corresponding actions internally to cope with this radical change including the lowering of the inventory level, reducing the headcount moderately and employed a tighter control over receivables.

Signs showing gradual recovery were seen since June 2009. Customers would modify their existing machines to fit for their new products and buy new machinery for moderate productivity expansion. Overall speaking, the production volume for all PCB markets in 2009 was reduced by various percentages. The China PCB production volume, even with the progressive launch of RMB 4 trillion economic stimulus plans by the Chinese government, has decreased by 18.2% as estimated by a research institution "Frost & Sullivan". It was believed that the Taiwan PCB production volume has dropped by more than 20%.

(b) Electroplating equipment – Surface Finishing ("SF") sector

This sector is traded through our subsidiary PAL Surface Treatment Systems Ltd.

The Group has adopted a horizontal marketing strategy to widen its market share by branching into various industrial sectors. We first entered the automobile sector, then bathroom fittings sector and subsequently communication devices. We focus on the first tier customers in each sector who normally produce luxury and high-end products. This strategy is very successful until when the financial tsunami hit the world in late 2008. It was widely reported in the news that all automobile companies have severe drop in sales in 2009 and pictures of numerous unsold cars were shown all over the places. Construction activities were less and it also affected the bathroom fittings sector. Because of these facts, most of our SF customers have put off their expansion plans.

(c) Electroplating equipment – Photo Voltaic ("Solar") sector

This sector is traded through our subsidiary Process Automation International Ltd.

Although there was no sale to the photo voltaic sector this year, we received a few orders in late 2009 which will be delivered in 2010.

(d) Outlook

After a tough year and going into year 2010, we expect that out customers would benefit from the increasing demand of smart phone and the growth of all communication products. The appreciation of Yen would make Japanese PCB makers less competitive when comparing to those of Taiwan and China. As we have strong presence in the latter markets, our group will be benefited as well.

As far as SF sector is concerned, some of the automobile players have gradually come out from the doldrums of the financial tsunami. A good recent example is General Motor who is able to repay the loan to the Government. At the same time, several enquiries which were on hold in 2009 have resumed negotiation. The growth of all communication products also benefits the SF sector, in particular the cellular antenna.

We expect the photo voltaic sector will continue to grow and will soon become a steady income stream for the Group.

Appropriate R&D resources are being invested to keep up with the product development pace of our customers.

We are conservatively optimistic that the market and general economies are recovering. It will not be a strong bounce back but a gradual improvement. In order to seize the coming opportunities, internally we have refined our product specifications so that our products can fit for various tiers of customer and hence expand our market shares. We are in process of identifying potential suppliers who would become our allies and work with us towards offering a competitive product package to our customers. The management team is determined and it putting great effort in turning around the financial performance of the Group!

Dividend

No interim dividend (2008: nil) was recommended during the year. The Board does not recommend a final dividend for this year (2008: nil).

Financial review

(a) Capital structure, liquidity and financial resources

As at 31st December, 2009, the Group had net assets of approximately HK$275,708,000 (31st December, 2008: HK$332,612,000). The gearing ratio was 0.1% (31st December, 2008: 0.7%). The gearing ratio is calculated by dividing the aggregate amount of bank borrowings and other interest-bearing loans of HK$227,000 (31st December, 2008: HK$2,271,000) over the amount of equity attributable to the equity holders of the Company of HK$271,385,000 (31st December, 2008: HK$324,637,000).

As at 31st December, 2009, the Group had approximately HK$118,345,000 (31st December, 2008: HK$161,416,000) of cash on hand, net current assets value being approximately HK$182,578,000 (31st December, 2008: HK$235,931,000) and obligations under finance leases approximately HK$227,000 (31st December, 2008: HK$2,271,000).

As at 31st December, 2009, the Group pledged bank deposits of approximately HK$2,174,000 (31st December, 2008: HK$10,711,000) to a bank to secure bank guarantees issued to customers. The Group has banking facilities of approximately HK$52,092,000 (31st December, 2008: HK$107,900,000) and has utilized approximately HK$1,174,000 as at 31st December, 2009 (31st December, 2008: HK$5,239,000).

Most of the bank borrowing is charged at prevailing prime rate in the countries where the Group's subsidiaries are operating in.

Most of the assets and liabilities in the Group were denominated in US dollars, HK dollars and Renminbi. However, in view of the anticipated currency appreciation in Renminbi, there will be certain risk associated with the material purchased and the overhead cost for the factories in China.

(b) Contingent Liabilities

As at 31st December, 2009, the Company had guarantees of approximately HK$62,100,000 (31st December, 2008: HK$133,861,000) to banks in respect of banking facilities granted to subsidiaries of the Company. The amount utilised by the subsidiaries was approximately HK$1,174,000 (31st December, 2008: HK$5,239,000). The Company has also guaranteed approximately HK$227,000 to a finance lease company in respect of finance lease granted to a subsidiary of the Company.

Employee and remuneration policies

As at 31st December, 2009, the Group has approximately 740 employees. During the first quarter of 2009, the Group has reduced its headcount by about 20%. Employees are remunerated based on performance, experience and industry practice. Performance related bonus granted on discretionary basis. Other employee benefits included pension fund, insurance and medical cover.

Appreciation

On behalf of the Board, I would like to thank our customers, bankers, suppliers and friends for their continued confidence in and support for the Company. In particular, I would like to extend our warmest thank to our staff at all levels for working with our management teams over the year.

CORPORATE GOVERNANCE

The Company recognizes that good corporate governance is vital to the success of the Group and sustains development of the Group. The Company aims at complying with, where appropriate, all code provisions set out in Appendix 14 Code on Corporate Governance Practices (the "CG Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The Company's corporate governance practices are based on the principles and the code provisions ("Code Provisions") as set out in the CG Code of the Listing Rules. The Company has, throughout the year ended 31st December, 2009 and up to the date of publication of the annual report, applied and complied with most of the Code Provisions save for certain deviations from the Code Provisions in respect of code provisions A.2.1 and A.4.2, details of which are explained below.

Code Provision A.2.1

The Company does not at present have any officer with the title of Chief Executive Officer ("CEO") but instead the duties of a CEO are performed by the Managing Director ("MD"). The Company does not have a separate Chairman and MD and Mr. Lam Kwok Hing currently holds both positions. The Board believes that vesting the roles of both Chairman and MD 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. In addition, through the supervision of the Board which comprised of three independent non-executive directors, representing more than half of the Board, the interests of the shareholders are adequately and fairly represented.

Code Provision A.4.2

According to Bye-laws of the Company, the Chairman or MD are not subject to retirement by rotation or taken into account on determining the number of directors to retire. This constitutes a deviation from code provision A.4.2 of the CG Code. As continuation is a key factor to the successful implementation of any long term business plans, the Board believes, together with the reasons for deviation from code provision A.2.1, that the present arrangement is most beneficial to the Company and the shareholders as a whole.

AUDIT COMMITTEE

The Audit Committee was established in 1999 and comprises three Board members, all of whom are Independent Non-executive Directors. The Audit Committee has adopted his same term of reference, which describes the authority and duties of the Committee, as quoted under code provision C.3.3 of the GC Code.

The Audit Committee is primarily responsible for the following duties:

(a) to review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditor.

(b) to review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendation to the Board on the appointments, re-appointment and removal of external auditor.

(c) to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee will meet at least twice each year. In 2009, the Audit Committee met twice considering the annual results of the Group for the financial year ended 31st December, 2009 and the interim results of the Group for the 6 months ended 30th June, 2009, assessing any changes in accounting policies and practices, major judgmental areas and compliance with applicable legal and accounting requirements and standards, discussing with the auditors of the Company on internal control and the re-appointment of the external auditors. Details of Committee members and their attendance records are listed as below:

Committee member		**Attendance**
Mr. Cheung Kin Wai	(Independent Non-executive Director & chairman of the Audit Committee)	2/2
Mr. Ng Chi Kin David	(Independent Non-executive Director)	2/2
Mr. Kwan Wang Wai Alan	(Independent Non-executive Director)	2/2

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31st December, 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December, 2009.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Company (http://www.atnt.biz). The annual report of the Company for the year ended 31st December, 2009 will be despatched to shareholders of the Company and available on the above websites in due course.

By Order of the Board
Asia Tele-Net and Technology Corporation Limited
Lam Kwok Hing
Chairman

Hong Kong, 26th April, 2010

As at the date of this announcement, the executive directors of the Company are Messrs. Lam Kwok Hing and Nam Kwok Lun, and the independent non-executive directors are Messrs. Cheung Kin Wai, Kwan Wang Wai, Alan and Ng Chi Kin, David.