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, 2010

The Board of Directors (the "Board") of Asia Tele-Net and Technology Corporation Ltd (the "Company") is pleased to announce that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2010 ("Period Under Review") together with last year's comparative figures are as follows:–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2010

	NOTES	**2010** *HK$'000*	2009 *HK$'000*
Revenue	6	**601,362**	195,359
Direct costs		**(456,100)**	(160,593)
Gross profit		**145,262**	34,766
Other gains and losses	7	**1,439**	6,176
Bad debts recovered		**4,117**	4,111
Other income		**1,746**	2,787
Selling and distribution costs		**(16,369)**	(14,081)
Administrative expenses		**(99,692)**	(80,987)
Allowance for bad and doubtful debts		**(3,262)**	(9,275)
Finance costs	8	**(1,117)**	(222)
Share of results of associates		**(542)**	397
Profit (loss) before taxation		**31,582**	(56,328)
Taxation	9	**(475)**	25
Profit (loss) for the year	10	**31,107**	(56,303)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 2010

	NOTE	**2010** **HK$'000**	2009 HK$'000
Other comprehensive income (expense)			
Increase in fair value of available-for-sale investments		**-**	412
Exchange difference arising on translation of foreign subsidiaries and associate		**9,626**	493
Reclassification of revaluation reserve upon disposal of available-for-sale investments		**-**	(412)
Recognition of actuarial gain on defined benefits plan		**209**	537
Other comprehensive income for the year		**9,835**	1,030
Total comprehensive income (expense) for the year		**40,942**	(55,273)
Profit (loss) for the year attributable to:			
Owners of the Company		**31,078**	(54,277)
Non-controlling interests		**29**	(2,026)
		31,107	(56,303)
Total comprehensive income (expense) attributable to:			
Owners of the Company		**40,734**	(53,252)
Non-controlling interests		**208**	(2,021)
		40,942	(55,273)
Earnings (loss) per share - Basic	11	**HK7.29 cents**	HK(12.73) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER, 2010

	NOTES	**31.12.2010** **HK$'000**	31.12.2009 *HK$'000* (restated)	1.1.2009 *HK$'000* (restated)
Non-current assets				
Property, plant and equipment		**92,408**	85,781	92,418
Prepaid lease payments		**8,535**	8,467	8,728
Interests in associates		**477**	933	541
Available-for-sale investments		**95**	113	2,373
Loans receivable		**3,170**	3,234	307
Deposits for acquisition of property, plant and equipment		**5,675**	-	-
		110,360	98,528	104,367
Current assets				
Inventories		**55,851**	31,659	38,404
Retirement benefit assets		**62**	-	-
Amounts due from customers for contract work		**96,801**	22,941	9,999
Loans receivable		**2,729**	5,701	8,032
Debtors, bills receivables and prepayments	12	**143,331**	68,563	185,239
Prepaid lease payments		**289**	278	278
Held-for-trading investments		**28,840**	36,823	13,681
Amounts due from associates		**954**	796	620
Taxation recoverable		**20**	108	3,610
Pledged bank deposits		**7,187**	2,174	10,711
Bank balances and cash		**131,820**	116,171	150,705
		467,884	285,214	421,279
Current liabilities				
Creditors, bills payables and accrued charges	13	**201,758**	84,668	156,141
Retirement benefit obligations		**-**	163	711
Warranty provision		**6,405**	8,350	10,842
Amounts due to customers for contract work		**7,521**	9,201	15,474
Amounts due to associates		**25**	98	-
Bank borrowings		**38,372**	-	-
Taxation payable		**291**	-	-
Obligations under finance leases due within one year		**-**	227	2,251
		254,372	102,707	185,419
Net current assets		**213,512**	182,507	235,860
Total assets less current liabilities		**323,872**	281,035	340,227

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31ST DECEMBER, 2010

	31.12.2010	31.12.2009	1.1.2009
	HK$'000	*HK$'000*	*HK$'000*
		(restated)	(restated)
Capital and reserves			
Share capital	**4,265**	4,265	4,265
Reserves	**307,854**	267,120	320,372
Equity attributable to owners of the Company	**312,119**	271,385	324,637
Non-controlling interests	**4,531**	4,323	7,975
Total equity	**316,650**	275,708	332,612
Non-current liabilities			
Warranty provision	**2,907**	1,012	3,278
Obligations under finance leases due after one year	**-**	-	20
Deferred taxation	**4,315**	4,315	4,317
	7,222	5,327	7,615
	323,872	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 a number of new and revised Standards, Amendments and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("the HKICPA") that are mandatorily effective for 2010 financial year ends.

Except as described below, the adoption of the new and revised Standards, Amendments and Interpretations in the current year had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

Amendment to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. Instead, the amendments require that the classification of leasehold land to be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land at 1st January, 2010 based on information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payments to property, plant and equipment retrospectively.

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

The effect of the application of this amendment on the financial positions of the Group as at 1st January, 2009 and 31st December, 2009 are as follows:

	As at 1.1.2009 (originally stated) HK$'000	Adjustments HK$'000	As at 1.1.2009 (restated) HK$'000	As at 31.12.2009 (originally stated) HK$'000	Adjustments HK$'000	As at 31.12.2009 (restated) HK$'000
Property, plant and equipment	84,567	7,851	92,418	78,002	7,779	85,781
Prepaid lease payments	16,857	(7,851)	9,006	16,524	(7,779)	8,745
Total effects on net assets		-			-	

The application of this amendment did not have any impact on the results of the Group for the current and prior accounting periods.

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 1 (Amendments)	Severe hyperinflation and removal of fixed dates for first-time adopters[3]
HKFRS 7 (Amendments)	Disclosures – transfer of financial assets[3]
HKFRS 9	Financial instruments[4]
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets[5]
HKAS 24 (as revised in 2009)	Related party disclosures[6]
HKAS 32 (Amendments)	Classification of rights issues[7]
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a minimum funding requirement[6]
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments[2]

1 Effective for annual periods beginning on or after 1st July, 2010 or 1st January, 2011, as appropriate.
2 Effective for annual periods beginning on or after 1st July 2010
3 Effective for annual periods beginning on or after 1st July 2011.
4 Effective for annual periods beginning on or after 1st January, 2013.
5 Effective for annual periods beginning on or after 1st January, 2012.
6 Effective for annual periods beginning on or after 1st January, 2011.
7 Effective for annual periods beginning on or after 1st February, 2010.

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

HKFRS 9 "Financial Instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial Instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for financial year ending 31st December, 2013 and that the application of the new Standard will affect the classification and measurement of the Group's available-for-sale investments and may affect the classification and measurement of the Group's other financial assets but not on the Group's financial liabilities.

Other than as described above, the directors of the Company anticipate that the application of other new or revised Standards, Amendments or Interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

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.

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. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

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 receivable, 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, 2010, the carrying amount of loans receivable was HK$5,899,000 (2009: HK$8,935,000) with no allowance for bad and doubtful debts, trade debtors was HK$120,752,000 (2009: HK$50,866,000) (net of allowance for bad and doubtful debts of HK$27,976,000 (2009: HK$31,785,000)), and other debtors was HK$14,644,000 (2009: HK$9,177,000) (net of allowance for bad and doubtful debts of HK$7,552,000 (2009: HK$6,607,000)) and amounts due from associates was HK$954,000 (2009: HK$796,000) (net of allowance for bad and doubtful debts of HK$3,906,000 (2009: HK$2,920,000)).

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 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 profit or loss will be recognised in profit or loss when the amounts are settled.

Allowance for inventories

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. 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, 2010, the carrying amount of inventories was HK$55,851,000 (2009: HK$31,659,000). Allowance for slow moving inventories of HK$1,868,000 was made during the year ended 31st December, 2010 (2009: HK$3,917,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Revenue recognition of construction contracts

Revenue from construction contracts in respect of design, manufacturing and sales of custom-built electroplating machinery and other industrial machinery is recognised on the percentage of completion method, measured by reference to the proportion of the contract costs incurred for the work performed to date over the estimated total contract costs. Accordingly, any changes to the estimated total contract cost may have material impact on the contract revenue recognised in each accounting period over the contract term.

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 bank borrowings and obligations under finance leases, and equity attributable to owners 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.

6. REVENUE AND SEGMENT INFORMATION

Revenue

The Group's revenue for the year ended 31st December, 2010 and 2009 analysed by principal activity is as follows:

	2010	2009
	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	**544,112**	167,306
Sale of spare parts of electroplating machinery	**28,910**	20,258
Provision of services – repairs and maintenance	**12,923**	7,795
Revenue from other operation	**15,417**	-
	601,362	195,359

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information

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 (1) Electroplating equipment: 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 and (2) Energy saving: the performance of the manufacture and sale of energy saving home automation products.

The energy saving operation is introduced during the year ended 31st December, 2010.

Segment revenues and results

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

	2010			2009
	Electroplating equipment *HK$'000*	**Energy saving** *HK$'000*	**Total** *HK$'000*	Electroplating Equipment and total *HK$'000*
Revenue	**585,945**	**15,417**	**601,362**	195,359
Segment profit (loss)	**44,248**	**(2,898)**	**41,350**	(55,822)
Intra-group management fee charged to operating segment			**4,690**	2,242
Other income			**5,810**	2,168
Central corporate expenses			**(22,459)**	(29,152)
Net change in fair value of held-for-trading investments			**2,751**	23,609
Share of results of associates			**(542)**	397
Impairment loss on available-for-sale investments			**(18)**	(182)
Gain on disposal of available-for-sale investments			**-**	412
Profit (loss) before taxation			**31,582**	(56,328)

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment profit (loss) represents the gross profit of the segments and other income and expenses directly attributable to the segment activity (including intra-group management fee) but excluding 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, share of results of 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 segment liabilities that are regularly reviewed by the chief operating decision maker:

	2010	2009
	HK$'000	*HK$'000*
Segment assets – electroplating equipment	**387,608**	208,080
Segment assets – energy saving	**5,052**	-
Property, plant and equipment (for corporate)	**5,597**	6,187
Interests in associates	**477**	933
Available-for-sale investments	**95**	113
Loans receivable	**5,899**	8,935
Other debtors, deposits and prepayments (for corporate)	**4,695**	3,422
Held-for-trading investments	**28,840**	36,823
Amounts due from associates	**954**	796
Taxation recoverable	**20**	108
Pledged bank deposits	**7,187**	2,174
Bank balances and cash	**131,820**	116,171
Consolidated total assets	**578,244**	383,742
Segment liabilities – electroplating equipment	**214,896**	101,576
Segment liabilities – energy saving	**1,995**	-
Other creditors and accrued charges (for corporate)	**1,700**	1,818
Amounts due to associates	**25**	98
Obligations under finance leases	**-**	227
Deferred taxation	**4,315**	4,315
Bank borrowings	**38,372**	-
Taxation payable	**291**	-
Consolidated total liabilities	**261,594**	108,034

6. **REVENUE AND SEGMENT INFORMATION (CONTINUED)**

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

- All assets are allocated to segments other than interests in associates, available-for-sale investments, loans receivable, held-for-trading investments, amounts 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 segments other than amounts due to associates, obligations under finance leases, deferred taxation, bank borrowings and taxation payable of the Group and corporate liabilities of the Group.

Other segment information

	2010			2009
	Electroplating equipment	***Energy saving***	***Total***	*Electroplating equipment and total*
	HK$'000	***HK$'000***	***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	1,331	945	2,276	9,275
Allowance for slow moving inventories	1,053	815	1,868	3,917
Bad debts recovered	4,117	-	4,117	4,071
Loss on disposal of property, plant and equipment	178	-	178	767
Depreciation	9,495	-	9,495	10,189
Release of prepaid lease payments	289	-	289	278
Provision for warranty	7,282	-	7,282	2,114
Capital additions	15,590	-	15,590	5,232

	Unallocated	
	2010	2009
	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 amounts due from associates	**986**	-
Bad debts recovered	**-**	40
Finance costs	**1,117**	222
Capital additions	**50**	28
Loss on disposal of property, plant and equipment	**6**	-
Depreciation	**635**	880
Interest income	**754**	943

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are mainly located in Hong Kong, the People's Republic of China (excluding Hong Kong) ("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.

	2010	2009
	HK$'000	*HK$'000*
PRC	**227,350**	75,861
Europe	**48,922**	29,691
Taiwan	**117,886**	26,570
India	**2,480**	21,540
Mexico	**1,114**	11,755
Hong Kong	**34,388**	7,468
Singapore	**9,934**	5,392
The United States of America	**38,260**	5,016
Australia	**1,608**	4,912
United Arab Emirates	**-**	2,208
The Philippines	**3,021**	1,855
Japan	**2,623**	523
Malaysia	**91,084**	-
Korea	**21,647**	-
Other South East Asia countries	**-**	2,145
Others	**1,045**	423
	601,362	195,359

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

	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**39,645**	43,832
PRC	**66,829**	49,948
Others	**621**	1,401
	107,095	95,181

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information about major customers

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

	2010 *HK$'000*	2009 *HK$'000*
Customers A	**74,137**	-[1]
Customers B	**-[1]**	25,056

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

7. OTHER GAINS AND LOSSES

	2010 *HK$'000*	2009 *HK$'000*
Net change in fair value of held-for-trading investments	**2,751**	23,609
Impairment loss on available-for-sale investments	**(18)**	(182)
Gain on disposal of available-for-sale investments	**-**	412
Net exchange loss	**(1,005)**	(12,662)
Loss on disposal of property, plant and equipment	**(184)**	(767)
Other losses	**(105)**	(4,234)
	1,439	6,176

8. FINANCE COSTS

	2010 *HK$'000*	2009 *HK$'000*
Interest on:		
Bank borrowings wholly repayable within five years	**1,093**	-
Finance leases	**24**	222
	1,117	222

9. TAXATION

The taxation charge (credit) comprises:

	2010	2009
	HK$'000	*HK$'000*
Overseas taxation		
Charge for the year	**475**	-
Overprovision in prior years	**-**	(23)
Deferred taxation	**-**	(2)
Taxation attributable to the Company and its subsidiaries	**475**	(25)

No tax is payable on the profit for the year ended 31st December, 2010 arising in Hong Kong since the assessment profit is wholly absorbed by tax loss brought forward.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group had no assessable profit for the year ended 31st December, 2009.

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 the 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 11% (2009: 10%). 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 period.

9. TAXATION (CONTINUED)

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

	2010	2009
	HK$'000	*HK$'000*
Profit (loss) before taxation	**31,582**	(56,328)
Taxation at the income tax rate of 16.5%	**5,211**	(9,294)
Tax effect of share of results of associates	**89**	(65)
Tax effect of expenses not deductible for tax purpose	**492**	2,234
Tax effect of income not taxable for tax purpose	**(868)**	(370)
Tax effect of tax losses not recognised	**2,309**	11,051
Tax effect of deductible temporary difference not recognised	**600**	1,087
Tax effect of utilisation of tax losses previously not recognised	**(6,998)**	(4,035)
Effect of different tax rates of subsidiaries operating in other jurisdictions and Tax Preference	**(286)**	(703)
Overprovision in prior years	**-**	(23)
Others	**(74)**	93
Taxation for the year	**475**	(25)

10. PROFIT(LOSS) FOR THE YEAR

	2010	2009
	HK$'000	*HK$'000*
Profit (loss) for the year has been arrived at after charging (crediting):		
Auditor's remuneration		
- Current year	**1,152**	1,225
- Underprovision in prior year	**2**	71
	1,154	1,296
Cost of inventories recognised as expenses (including allowance for slow moving inventories of HK$1,868,000 (2009: HK$3,917,000)	**295,305**	99,198
Depreciation of property, plant and equipment	**10,130**	11,069
Release of prepaid lease payments	**289**	278
Operating lease payments in respect of rented premises	**2,446**	1,912
Staff costs:		
Directors' fee	**180**	180
Directors' salaries and other benefits	**7,200**	8,386
Salaries and allowances	**85,742**	54,081
Retirement benefits schemes expenses	**37**	46
Contributions to retirement contributions schemes	**1,656**	1,558
	94,815	64,251
Interest income from loans receivable	**(349)**	(548)
Interest income from an associate	**(82)**	(104)
Investment income		
Interest earned on bank deposits	**(161)**	(171)
Other interest income from overdue trade debtors	**(162)**	(120)
Dividend income from		
- Held-for-trading investments (listed equity securities)	**(334)**	(14)
- Available-for-sale investments (unlisted equity securities)	**-**	(739)
	(657)	(1,044)

11. EARNINGS (LOSS) PER SHARE

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

	2010	2009
	HK$'000	*HK$'000*
Earnings (loss) for the purposes of basic earnings (loss) per share (profit (loss) for the year attributable to owners of the Company)	**31,078**	(54,277)
	'000	*'000*
Number of ordinary shares for the purpose of basic earnings (loss) per share	**426,463**	426,463

12. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS

	2010 HK$'000	2009 HK$'000
Trade debtors and bills receivables	**148,728**	82,651
Less: Allowance for bad and doubtful debts	**(27,976)**	(31,785)
	120,752	50,866
Other debtors and prepayments	**22,579**	17,697
	143,331	68,563

As at 31st December, 2010, the trade debtors balance included trade debts due from associates of HK$4,292,000 (2009: HK$5,142,000).

The following is an aged analysis of trade debtors and bills receivables net of allowance for bad and doubtful debts presented based on the invoice date at the end of the reporting period:

	2010 HK$'000	2009 HK$'000
1 – 60 days	**87,274**	37,039
61 – 120 days	**16,933**	5,249
121 – 180 days	**7,455**	4,994
Over 180 days	**9,090**	3,584
	120,752	50,866

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, 2010, trade debtors of HK$34,717,000 (2009: HK$20,602,000) 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. Bills receivables of HK$33,325,000 (2009: nil) were discounted for bank borrowings with full recourse. The average age of these trade receivables is 89 days (2009: 103 days) as at 31st December, 2010.

12. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS (CONTINUED)

Movement in the allowance for bad and doubtful debts

	2010	2009
	HK$'000	*HK$'000*
Balance at beginning of the year	**31,785**	33,357
Impairment losses recognised on trade debtors	**1,331**	2,668
Bad debts recovered	**(4,117)**	(4,071)
Written off as against trade debtors	**(1,023)**	(169)
Balance at end of the year	**27,976**	31,785

Included in the allowance for doubtful debts of HK$27,976,000 (2009: HK$31,785,000) 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 with no historical default of payments by the respective customers. 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, 2010, the directors of the Company determined that there was impairment loss of HK$945,000 (2009: HK$6,607,000) for other debtors in which the directors considered the amount is uncollectible.

The Group has received HK$162,000 (2009: HK$120,000) as interest from overdue trade debtors.

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**	**PESO**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st December, 2010	**206**	**373**	**119,437**	**8,550**	**103**
As at 31st December, 2009	-	209	37,191	12,551	-

13. CREDITORS, BILLS PAYABLES AND ACCRUED CHARGES

	2010 HK$'000	2009 HK$'000
Trade creditors	**115,327**	50,507
Bills payables	**10,821**	-
Accrued staff costs	**14,932**	9,536
Commission payables and sales agents	**18,113**	10,381
Other accrued charges	**31,004**	13,080
Advances received from customers for contract work	**11,561**	1,164
	201,758	84,668

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

	2010 HK$'000	2009 HK$'000
0 – 60 days	**96,119**	28,431
61 – 120 days	**24,153**	3,231
121 – 180 days	**3,357**	5,932
Over 180 days	**2,519**	12,913
	126,148	50,507

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

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

	USD HK$'000	GBP HK$'000	EUR HK$'000	NTD HK$'000	JPY HK$'000
As at 31st December, 2010	**46,020**	**1,210**	**12,926**	**1,152**	**4,012**
As at 31st December, 2009	28,702	62	2,390	1,637	-

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSIONS

FINANCIAL RESULTS

The Group recorded approximately HK$ 601,362,000 in revenue for the year ended 31st December, 2010 ("the Period Under Review") representing an increase of approximately HK$ 406,003,000 or 208% compared to the year ended 31st December, 2009 ("the Previous Period") which was approximately HK$ 195,359,000. The profit attributable to owners of the Company was about HK$ 31,078,000 for the Period Under Review compared to the loss attributable to owners of the Company of about HK$ 54,277,000 for the Previous Period. The increase in revenue and profit attributable to owners of the Company are further elaborated in the following sections.

The basic earnings per share for the Period Under Review was HK7.29 cents compared to the basic loss per share of HK12.73 cents for the Previous Period.

BUSINESS REVIEW ON ELECTROPLATING EQUIPMENT (UNDER THE TRADE NAME OF "PAL")

The revenue for the Period Under Review was approximately HK$ 601,362,000 or 208% more than the Previous Period. Approximately 71% of the revenue was generated from PCB sector (the Previous Period: approximately 61%), approximately 13% came from surface finishing sector (the Previous Period: approximately 39%) and approximately 16% derived from solar cell sector (the Previous Period: 0%). In terms of machines installation base, the revenue composition during the Period Under Review was 39 % machines in PRC, 22 % in Taiwan, 15 % in Malaysia, 7% in USA and 17% in rest of the world.

The gross profit margin for the Period Under Review has improved by 6.8%. This was mainly due to better production efficiency achieved resulted from the great efforts put in by the management since the global financial crisis.

Electroplating Equipment-Printed Circuit Boards ("PCB") Sector

This sector is traded through our subsidiary Process Automation International Ltd ("PAL").

We witnessed signs of recovery in almost all worldwide PCB markets. The modest recovery in the broad economic environment has improved the overall consumer sentiments. The demand for consumer electronic products mainly smart phone such as the Apple i-Phone and netbooks are escalating. This robust demand from the end consumers has prompted our customers to expand their production capacity.

The recovery is supported by IPC's announcement that IPC's PCB book to bill ratio was above parity (1.0) for 17 consecutive months until October 2010 and in January 2011, it held steady at 0.97, due to the seasonal effect and the sales results for the Electronics Manufacturing Services (EMS) industry for the year 2010 have shown a steady upward climb continuing into 2011.

Our long standing customers in Taiwan, Tripod, Unitech, Compeq and Kinsus have posted strong revenue gain for year ended 2010 due mainly to strong demand for High Density Interconnects (HDI) boards from the handset industry.

The application of electronic technology in the automotive industry is a dominant trend. As reported in our last interim report, according to Unimicron Chairman Mr Tze-chang Tzeng, the global automotive PCB market is expected to grow at a compound annual growth rate of 8% in the next three years compared to 3%-6% projected growth for IT and communication boards. This great opportunity has driven PCB makers such as Unimicron, Unitech Printed Circuit Board and Tripod Technology to venture into the mass production of automotive PCBs.

PAL, having an established global sales network, a strong engineering team and brand name has benefited from the economy recovery and will continue to capitalize on the growth opportunities of the PCB segment. However, the operating environment has become more challenging due to the general increase in commodity price, appreciation in Renminbi and price competition in the industry. Meanwhile, our machine delivery lead time to customers has become shorter. To cope with this, in the Period Under Review, we have invested approximately RMB 10 million to expand our production capacity in China while continue with our costs control measures and strategy to standardize the machine design to offer standard products.

Electroplating Equipment-Surface Finishing ("SF") Sector

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

The revenue of the SF sector has increased from HK$ 55,894,000 in the Previous Period to HK$ 67,372,000 for the Period Under Review. The rise of HK$ 11,478,000 in revenue was mainly due to higher customer demand as a result of improvement in the market sentiment. Our SF customers include automobile parts manufacturers, sanitary ware manufacturers, mint factories and electronic device manufacturers.

A couple year of ago, we have shipped an electroplating line to a mint factory in Australia. In last year 2010, we have shipped two electroplating lines to a mint factory in UK. We will continue to cultivate this market and hopefully to build a solid customer base as we have done in the automobile parts industry.

Our SF sector encounters stiff price competition from the European players due to longer delivery (shipping time from Asia to Europe) and higher shipping cost which is originated from the high crude oil price. However, we have gradually earned a reputation in this sector due to our strong engineering and designing capabilities. We are still the preferred suppler to multi-national clients due to our sound financial background.

Electroplating Equipment-Photo Voltaic ("Solar") Sector

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

As reported in our last interim report, the end market strength of the Solar sector was driven principally by Germany, Italy and the Czech Republic. The growth has been triggered by the extraordinary amendment to the Renewable Energies Act (EEG) that passed by German Bundestag. The amendment provides for a substantial reduction in solar feed in tariff starting from 1st July, 2010.

Solar has reported HK$ 77,719,000 in revenue for the Period Under Review in view of the strong demand on the green energy.

The growth in the global demand for solar panels is contingent upon local government subsidy programs. The module prices tend to decline gradually when the market is over supply. PAL as an equipment manufacturer will continue to support our customers at a reasonable price so that together, we will remain competitive in the industry and grow further.

Business Review on Energy Saving

This sector is traded through our subsidiary, ESIC Technology Ltd and ESIC Control Ltd (collectively called ESIC Group).

During the year, the Company has established two subsidiaries to sell and manufacture energy saving products. Major clients are European importers and retailers. Products include energy saver, energy timer and thermostats. ESIC Group has hired a number of OEM subcontractors to manufacture the products while controlling supplies of critical materials. A small team was formed in April.

Losses of about HK$3 millions were incurred mainly because some materials were scrapped while the OEM subcontractors learnt how to manufacture the products.

Outlook

We expect that the PCB sector will remain as the focus of our revenue stream in 2011 due to strong growth in smart phones and internet mobility devices. The crisis in Japan has inevitably interrupted the supply chain of the electronic market. Some of our customers are suffered from not getting the required parts and hence are forced to reduce their output momentarily before they could find substitute parts while our other customers seem to be benefited from this crisis when they are asked to fill up with the lost production capacity in Japan. Nonetheless, the electroplating process in PCB has changed such that more plating process is required to finish each PCB which leads to an increased demand of electroplating equipment.

The improving business environment in Europe and USA has gradually spurred demand on automobile and house wares products. This in turn will benefit our SF sector that has founded relationship in these industries.

We also expect the Solar sector will continue to grow in view of the global hunt for the green energy.

Anticipating these changes and development, we will continue to invest in our research and development efforts.

Even though 2010 is a fruitful year for us, we are cautiously optimistic that the general economy environment is improving but this recovery is mired with uncertainties and headwind ahead in 2011. The political upheaval in Middle East, earthquake in Japan, withdrawal of economic stimulus plans by the respective governments, inflationary pressures and the continued credit crisis in Euro countries might curb the demand of our products.

Thus, the Group will continue with its cost-efficiency management and strengthen its operation and competitive capabilities.

DIVIDEND

No interim dividend (2009: nil) was recommended during the year. The Board does not recommend a final dividend for this year (2009: nil).

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

As at 31st December, 2010, the Group had equity attributable to owners of the Company of approximately HK$ 312,119,000 (31st December, 2009: HK$ 271,385,000). The gearing ratio was 12% (31st December, 2009: nil). The gearing ratio is calculated by dividing the aggregate amount of bank borrowings and other interest-bearing loans over the amount of equity attributable to the owners of the Company.

As at 31st December, 2010, the Group had approximately HK$ 139,007,000 of cash on hand (31st December, 2009: HK$ 118,345,000).

As at 31 December 2010, the Group pledged deposits of HK$ 7,187,000 (31st December, 2009: HK$2,174,000) to banks to secure bank guarantees issued to customers. The Group has banking facilities of approximately HK$ 52,092,000 (31st December, 2009: HK$ 52,092,000) to the Company. Out of the secured facilities available, the Group has utilised approximately HK$ 6,187,000 as the issuance of bank's guarantee under customers retain right to claim refund of purchase deposits received by the Group and as shipping guarantee to the supplies of the Group as at 31st December, 2010 (31st December, 2009: HK$ 1,174,000).

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

Most of the assets and liabilities in the Group were mainly 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 overhead cost for the factories in China.

Contingent Liabilities

As at 31st December, 2010, the Company had guarantees of approximately HK$ 62,100,000 (31st December, 2009: HK$ 62,100,000) to banks in respect of banking facilities granted to subsidiaries of the Company. The amount utilised by the subsidiaries was approximately HK$ 6,187,000 (31st December, 2009: HK$ 1,174,000).

Employee and Remuneration Policies

As at 31st December, 2010, the Group has approximately 819 employees. Employees are remunerated based on performance, experience and industry practice. Performance related bonus granted on discretionary basis. Other employee benefits included fund, insurance and medical cover.

During the year, the Managing Director of PAL, Mr. Geoff Paterson has expressed his wishes to reduce his workload. Geoff has been with PAL Group since January 1987. He played a key part in turning PAL from a Hong Kong company to an international company. It is with his loyalty and dedication that we have overcome various ups and downs in last two decades. We are grateful and would like to extend our highest appreciation to him. Having worked for PAL over last 24 years and well passed the retirement age limit of 60, it is a right moment for Geoff to plan a new life so that he can spend more time with his family in Australia starting in January 2011. Hence, Mr. Ronnie Wong was promoted from the post of Deputy Managing Director to the Managing Director.

In any event, Geoff will always stay with us as part of PAL family. He will continue to work as a non-executive Director of PAL to contribute his valuable experience and knowledge in the western markets. He will also continue to look for new partners for PAL and to advise on product development.

Ronnie has served PAL for more than 26 years and is well known in the electroplating equipment industry. He will be responsible for all the operations in PAL. Through his strong and solid experience in the electroplating field and his expertise in sales and marketing, we are confident that he can further help PAL to expand, to provide quality product and services to our precious customers and to create a win-win situation for our partners and customers.

APPRECIATION

On behalf of the Board, I would like to thank all our stakeholders 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 their dedication and hard work 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, 2010 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 2010, the Audit Committee met twice considering the annual results of the Group for the financial year ended 31st December, 2010 and the interim results of the Group for the 6 months ended 30th June, 2010, 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, 2010.

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, 2010.

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, 2010 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, 29th March, 2011

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.