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, 2012

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, 2012 ("Period Under Review") together with last year's comparative figures are as follows:–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2012

	NOTES	**2012** *HK$'000*	2011 *HK$'000*
Continuing operations			
Revenue	6	**382,774**	606,422
Cost of sales		**(278,867)**	(486,918)
Gross profit		**103,907**	119,504
Other gains and losses	7	**(8,561)**	(22,828)
Bad debts recovered		**343**	945
Other income		**4,350**	1,634
Selling and distribution costs		**(15,470)**	(17,146)
Administrative expenses		**(100,660)**	(114,193)
Allowance for bad and doubtful debts		**(4,195)**	(2,910)
Finance costs	8	**(413)**	(781)
Share of results of associates		**747**	1,149
Loss before taxation		**(19,952)**	(34,626)
Taxation	9	**(1,229)**	(1,227)
Loss for the year from continuing operations		**(21,181)**	(35,853)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 2012

	NOTES	**2012** **HK$'000**	2011 HK$'000
Discontinued operation			
Loss for the year from discontinued operation	10	**-**	(2,016)
Loss for the year	11	**(21,181)**	(37,869)
Other comprehensive income (expense)			
Exchange difference arising on translation of foreign operations			
- subsidiaries		**4,357**	7,330
- associate		**116**	(4)
Reclassification of currency transaction reserve upon dissolution of a subsidiary		**370**	-
Recognition of actuarial loss on defined benefit plan		**-**	(188)
Other comprehensive income for the year		**4,843**	7,138
Total comprehensive expense for the year		**(16,338)**	(30,731)
Loss for the year attributable to owners of the Company			
- from continuing operations		**(21,570)**	(35,644)
- from discontinued operation		**-**	(2,016)
		(21,570)	(37,660)
Profit (loss) for the year attributable to non-controlling interests from continuing operations		**389**	(209)
		(21,181)	(37,869)
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(16,744)**	(30,310)
Non-controlling interests		**406**	(421)
		(16,338)	(30,731)
Loss per share	12		
From continuing and discontinued operations			
Basic		**HK(5.06) cents**	HK(8.83) cents
From continuing operations			
Basic		**HK(5.06) cents**	HK(8.36) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER, 2012

	NOTES	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		**89,841**	95,791
Prepaid lease payments		**8,360**	8,511
Interests in associates		**2,485**	1,622
Available-for-sale investments		**-**	95
Loans receivable		**4,552**	3,455
		105,238	109,474
Current assets			
Inventories		**39,572**	54,708
Amounts due from customers for contract work		**38,952**	73,967
Loans receivable		**2,760**	4,588
Debtors, bills receivables and prepayments	13	**109,350**	79,128
Prepaid lease payments		**304**	299
Held-for-trading investments		**15,107**	26,425
Amounts due from associates		**1,333**	1,154
Taxation recoverable		**1,081**	1,058
Pledged bank deposits		**1,000**	9,215
Bank balances and cash		**159,698**	151,573
		369,157	402,115
Current liabilities			
Creditors, bills payables and accrued charges	14	**129,820**	142,523
Deposit received from re-development of the land		**49,760**	48,880
Warranty provision		**10,753**	10,080
Amounts due to customers for contract work		**7,335**	10,528
Amounts due to associates		**26**	26
Bank borrowings		**-**	4,557
Taxation payable		**667**	1,227
		198,361	217,821
Net current assets		**170,796**	184,294
Total assets less current liabilities		**276,034**	293,768

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31ST DECEMBER, 2012

	2012	2011
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**4,265**	4,265
Reserves	**260,800**	277,544
Equity attributable to owners of the Company	**265,065**	281,809
Non-controlling interests	**2,930**	4,110
Total equity	**267,995**	285,919
Non-current liabilities		
Warranty provision	**3,724**	3,534
Deferred taxation	**4,315**	4,315
	8,039	7,849
	276,034	293,768

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 amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Asset; and
Amendments to HKFRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets.

Except as described below, the application of these amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRS 7 Disclosures – Transfers of Financial Assets

The Group has applied for the first time the amendments to HKFRS 7 "Disclosures – Transfers of Financial Assets" in the current year. The amendments increase the disclosure requirements for transactions involving the transfer of financial assets in order to provide greater transparency around risk exposures when financial assets are transferred.

The Group had arrangements with various banks to transfer to the banks its contractual rights to receive cash flows from certain trade receivables. The arrangements were made through discounting those receivables to banks on a full recourse basis. Specifically, if the trade receivables are not paid at maturity, the banks have the right to request the Group to pay the unsettled balance. As the Group had not transferred the significant risks and rewards relating to these trade receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing. The Group has no trade receivables discounted to banks as at 31st December, 2012. In accordance with the transitional provisions set out in the amendments to HKFRS 7, the Group has not provided comparative information for the disclosures required by the amendments.

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

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle[1]
Amendments to HKFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] Effective for annual periods beginning on or after 1st January, 2013.

[2] Effective for annual periods beginning on or after 1st January, 2014.

[3] Effective for annual periods beginning on or after 1st January, 2015.

[4] Effective for annual periods beginning on or after 1st July, 2012.

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

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2011 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be subsequently measured at 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 reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. 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 recognition 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. Currently, 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 was presented in profit or loss.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future will impact the classification and measurement of the Group's available-for-sale investments but not on the Group's financial liabilities.

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

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income" introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income' and an 'income statement' is renamed as a 'statement of profit or loss'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1st July, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

Other than as described above, the directors of the Company anticipate that the application of the other new or revised HKFRSs 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, other debtors and amounts due from associates may be impaired, the Group estimates the future cash flows of 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, 2012, the carrying amount of loans receivable was approximately HK$7,312,000 (2011: approximately HK$8,043,000) with no allowance for bad and doubtful debts, trade debtors was approximately HK$97,456,000 (2011: approximately HK$62,245,000) (net of allowance for bad and doubtful debts of approximately HK$31,984,000 (2011: approximately HK$28,261,000)), other debtors was approximately HK$7,350,000 (2011: approximately HK$9,317,000) (net of allowance for bad and doubtful debts of approximately HK$5,852,000 (2011: approximately HK$8,302,000)) and amounts due from associates was approximately HK$1,333,000 (2011: approximately HK$1,154,000) (net of allowance for bad and doubtful debts of approximately HK$3,906,000 (2011: approximately HK$3,906,000)).

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 to 2 years 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. As at 31st December 2012, the carrying amount of provision of warranties was approximately HK$14,477,000 (2011: approximately HK$13,614,000).

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, 2012, the carrying amount of inventories was approximately HK$39,572,000 (2011: approximately HK$54,708,000). Allowance for slow moving inventories of approximately HK$2,057,000 was made during the year ended 31st December, 2012 (2011: approximately HK$692,000).

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, which is individually built to customer order and unique specifications, 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 equity attributable to owners 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 from continuing operations for the years ended 31st December, 2012 and 2011 analysed by principal activity is as follows:

	2012	2011
	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	**323,636**	564,421
Sale of spare parts of electroplating machinery	**20,509**	26,243
Provision of services – repairs and maintenance	**38,629**	15,758
	382,774	606,422

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information

Information reported to the chief operating decision maker, being 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 segment was discontinued during the year ended 31st December 2011. The segment information reported in this note does not include any amounts for the discontinued operation, which are described in more details in note 10.

Segment revenue and results

The operating segment revenue from electroplating equipment segment contributes the entire revenue of the continuing operations of the Group. Reconciliation of the operating segment loss from continuing operations to loss before taxation as follows:

	Electroplating Equipment	
	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Revenue	**382,774**	606,422
Segment loss	**(3,007)**	(1,332)
Intra-group management fee charged to operating segment	**5,112**	5,226
Other income, gains or losses	**544**	(8,850)
Central corporate expenses	**(17,015)**	(16,970)
Allowance for bad and doubtful debts	**-**	(1,695)
Net change in fair value of held-for-trading investments	**(6,314)**	(12,154)
Share of results of associates	**747**	1,149
Loss on disposal of available-for-sale investments	**(19)**	-
Loss before taxation	**(19,952)**	(34,626)

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment Information (continued)

Segment revenue and results (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the gross profit of the electroplating equipment segment and other income and expenses directly attributable to the segment activity (including intra-group management fee) but excluding interest income from loans receivable, unallocated interest income, dividend income and sundry income, unallocated net exchange gain or loss, central corporate expenses including auditor's remuneration and directors' emoluments, net change in fair value of held-for-trading investments, share of results of associates and loss on disposal of available-for-sale investments. This is the measure reported to the chief operating decision maker in order 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:

	2012	2011
	HK$'000	*HK$'000*
Segment assets – electroplating equipment segment (continuing operations)	**278,838**	304,806
Property, plant and equipment (for corporate)	**4,062**	4,197
Interests in associates	**2,485**	1,622
Available-for-sale investments	**-**	95
Loans receivable	**7,312**	8,043
Other debtors, deposits and prepayments (for corporate)	**3,479**	3,401
Held-for-trading investments	**15,107**	26,425
Amounts due from associates	**1,333**	1,154
Taxation recoverable	**1,081**	1,058
Pledged bank deposits	**1,000**	9,215
Bank balances and cash	**159,698**	151,573
Consolidated total assets	**474,395**	511,589
Segment liabilities – electroplating equipment segment (continuing operations)	**149,893**	164,755
Other creditors and accrued charges (for corporate)	**51,499**	50,790
Amounts due to associates	**26**	26
Deferred taxation	**4,315**	4,315
Bank borrowings	**-**	4,557
Taxation payable	**667**	1,227
Consolidated total liabilities	**206,400**	225,670

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment Information (continued)

Segment assets and liabilities (continued)

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

- All assets are allocated to electroplating equipment operating segment 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 operating segments other than amounts due to associates, deferred taxation, bank borrowings and taxation payable of the Group and corporate liabilities of the Group.

Other segment information

	Electroplating equipment	
	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Amounts included in the measure of segment result or segment assets:		
Allowance for bad and doubtful trade debtors	**4,195**	1,215
Allowance for slow moving inventories	**2,057**	692
Bad debts recovered	**343**	945
Loss on disposal of property, plant and equipment	**58**	125
Depreciation	**9,229**	10,413
Release of prepaid lease payments	**304**	299
Provision for warranty	**13,164**	15,889
Capital additions	**2,548**	12,694

	Unallocated	
	2012	2011
	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 other receivables	**-**	1,695
Finance costs	**413**	781
Capital additions	**6**	1
Loss on disposal of available-for-sale investments	**19**	-
Depreciation	**141**	386
Interest income	**2,717**	706

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of external customers.

	2012	2011
	HK$'000	*HK$'000*
PRC	**130,890**	252,399
Europe	**29,203**	41,477
Taiwan	**28,917**	79,516
Canada	**55,280**	-
Mexico	**-**	7,133
Hong Kong	**23,020**	25,935
Singapore	**13,978**	5,576
The United States of America	**12,023**	39,908
Australia	**64**	3,617
The Philippines	**-**	3,458
Germany	**16,392**	648
Malaysia	**-**	32,797
Korea	**39,230**	42,933
Turkey	**2,420**	39,818
Russia	**9,616**	30,129
Thailand	**17,109**	-
Others	**4,632**	1,078
	382,774	606,422

Information about the Group's non-current assets (excluding financial instruments) is presented based on the geographical location of the assets.

	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**32,457**	36,267
PRC	**65,140**	67,465
Others	**3,089**	2,192
	100,686	105,924

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:

	2012	2011
	HK$'000	*HK$'000*
Customer A	**55,280**	N/A[1]
Customer B	**42,654**	N/A[1]
Customer C	**N/A[1]**	61,303

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

7. OTHER GAINS AND LOSSES

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Net change in fair value of held-for-trading investments	**(6,314)**	(12,154)
Loss on disposal of available-for-sale investments	**(19)**	-
Net exchange loss	**(2,280)**	(9,824)
Loss on disposal of property, plant and equipment	**(58)**	(125)
Gain on dissolution of a subsidiary	**227**	-
Other gains and losses	**(117)**	(725)
	(8,561)	(22,828)

8. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank borrowings wholly repayable within five years	**413**	781

9. TAXATION

Continuing operations

The taxation charge comprises:

	2012	2011
	HK$'000	*HK$'000*
Overseas taxation		
Charge for the year	**1,229**	1,227

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No tax is payable on the profit for both years arising in Hong Kong for certain group entities since the assessable 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 remaining group entities subjected to Hong Kong Profits Tax have no assessable profit for both years.

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

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 subsidiaries that are 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 tax charge for the year can be reconciled to the loss before taxation from continuing operations per the consolidated statement of comprehensive income as follows:

	2012	2011
	HK$'000	*HK$'000*
Loss before taxation	**(19,952)**	(34,626)
Taxation at the income tax rate of 16.5%	**(3,292)**	(5,713)
Tax effect of share of results of associates	**(123)**	(190)
Tax effect of expenses not deductible for tax purpose	**536**	656
Tax effect of income not taxable for tax purpose	**(29)**	(52)
Tax effect of tax losses not recognised	**6,032**	9,848
Tax effect of deductible temporary differences not recognised	**510**	311
Tax effect of utilisation of tax losses previously not recognised	**(2,564)**	(4,065)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**159**	432
Taxation for the year	**1,229**	1,227

10. LOSS FOR THE YEAR FROM DISCONTINUED OPERATION

During the year ended 31st December, 2011, the Group discontinued the energy saving operation which represents the energy saving segment through the disposal of a subsidiary engaged in this operation to an independent third party at a consideration of HK$1. The disposal was completed on 15th June, 2011, on which date control of that subsidiary passed to the acquirer.

The loss from the discontinued operation for the year ended 31st December, 2011, which represented the loss of the energy saving operation for the year ended 31st December, 2011 and gain on disposal of a subsidiary, was approximately HK$2,016,000.

The results of the energy saving operation for the period from 1st January, 2011 to 15th June, 2011, which have been included in the consolidated statement of comprehensive income, were as follows:

	HK$'000
Revenue	156
Cost of sales	(1,202)
Gross loss	(1,046)
Other income	73
Administrative expenses	(752)
Allowance for bad and doubtful debts	(501)
Loss for the year	(2,226)
Gain on disposal of a subsidiary	210
Loss for the year from discontinued operation	(2,016)

Loss for the year ended 31st December, 2011 from discontinued operation include the following:

	HK$'000
Auditor's remuneration	10
Staff costs	468

No taxation charge or credit arose on loss on discontinuance of the operation.

The net cash flows attributable to the operating, investing and financing activities of the energy saving operation was not significant.

There was no significant assets and liabilities of the energy saving operation at the date of disposal.

11. LOSS FOR THE YEAR

	2012	2011
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging (crediting):		
Continuing operations		
Auditor's remuneration	**1,248**	894
Cost of inventories recognised as expenses (including allowance for slow moving inventories of approximately HK$2,057,000 (2011: approximately HK$692,000))	**192,672**	348,843
Depreciation of property, plant and equipment	**9,370**	10,799
Release of prepaid lease payments	**304**	299
Operating lease payments in respect of rented premises	**1,966**	1,735
Staff costs:		
Directors' fee	**180**	180
Directors' salaries, other benefits and performance related incentive payments	**7,200**	8,756
Salaries and allowances	**93,578**	110,296
Retirement benefits schemes expenses	**-**	(33)
Contributions to retirement contributions schemes	**2,228**	2,428
	103,186	121,627
Interest income from loans receivable	**(714)**	(550)
Interest income from an associate	**(179)**	(110)
Investment income		
Interest earned on bank deposits	**(1,846)**	(321)
Other interest income from overdue trade debtors	**(102)**	(139)
Dividend income from		
- Held-for-trading investments (listed equity securities)	**(23)**	(146)
- Available-for-sale investments (unlisted equity securities)	**(95)**	(108)
	(2,066)	(714)

12. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	Continuing and discontinued operations		Continuing operations	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The Group's loss for the year attributable to owners of the Company	**(21,570)**	(37,660)	**(21,570)**	(35,644)
Number of ordinary shares	**426,463,400**	426,463,400	**426,463,400**	426,463,400

No diluted loss per share have been presented as there were no potential ordinary shares in issue during both years.

Basic loss per share for the year ended 31st December, 2011 for the discontinued operation was HK0.47 cent, based on the loss for the year ended 31st December, 2011 from the discontinued operation of approximately HK$2,016,000 and the denominators detailed above.

13. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS

	2012	2011
	HK$'000	*HK$'000*
Trade debtors and bills receivables	**129,440**	90,506
Less: Allowance for bad and doubtful debts	**(31,984)**	(28,261)
	97,456	62,245
Other debtors and prepayments	**11,894**	16,883
	109,350	79,128

As at 31st December, 2012, the trade debtors balance included trade debts due from associates of approximately HK$8,101,000 (2011: approximately HK$5,819,000).

13. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS (CONTINUED)

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:

	2012	2011
	HK$'000	*HK$'000*
1 – 60 days	**90,534**	44,388
61 – 120 days	**2,036**	4,773
121 – 180 days	**640**	1,562
Over 180 days	**4,246**	11,522
	97,456	62,245

The Group allows a general credit period of one to two months 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, 2012, the trade debtors and bills receivables of approximately HK$90,534,000 (2011: approximately HK$44,388,000) were neither past due nor impaired. No significant counterparty default was noted in the past.

As at 31st December, 2012, trade debtors of approximately HK$6,922,000 (2011: approximately HK$17,857,000) 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. As at 31st December, 2012, no bills receivables were discounted (2011: approximately HK$4,557,000 of bills receivables were discounted with full recourse). The average age of these trade receivables is 93 days (2011: 85 days) as at 31st December, 2012.

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

	2012	2011
	HK$'000	*HK$'000*
Past due by:		
1 – 60 days	**2,036**	4,773
61 – 120 days	**640**	1,562
121 – 180 days	**3,353**	9,985
Over 180 days	**893**	1,537
	6,922	17,857

13. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS (CONTINUED)

Movement in the allowance for bad and doubtful debts

	2012	2011
	HK$'000	*HK$'000*
Balance at beginning of the year	**28,261**	27,976
Currency realignment	**7**	15
Allowance made on trade debtors	**4,195**	1,716
Bad debts recovered	**(343)**	(945)
Written off as against trade debtors	**(136)**	(501)
Balance at end of the year	**31,984**	28,261

Included in the allowance for doubtful debts of approximately HK$31,984,000 (2011: approximately HK$28,261,000) 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 end of the reporting period. The trade debtors that were past due but not impaired 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, 2011, the directors of the Company determined that there was an impairment loss of approximately HK$1,695,000 for other debtors in which the directors considered the amount was uncollectible.

The Group received approximately HK$102,000 (2011: approximately HK$139,000) 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:

	GBP	USD	EUR	PESO
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st December, 2012	**134**	**76,966**	**3,644**	**-**
As at 31st December, 2011	1	39,414	8,275	131

14. CREDITORS, BILLS PAYABLES AND ACCRUED CHARGES

	2012	2011
	HK$'000	*HK$'000*
Trade creditors	**58,494**	76,483
Bills payables	**544**	4,368
Accrued staff costs	**14,990**	14,137
Commission payables to sales agents	**16,837**	19,610
Other accrued charges	**32,098**	22,962
Advances received from customers for contract work	**6,789**	4,895
Retirement benefit obligations	**68**	68
	129,820	142,523

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

	2012	2011
	HK$'000	*HK$'000*
0 – 60 days	**16,681**	29,961
61 – 120 days	**21,026**	28,683
121 – 180 days	**12,315**	14,675
Over 180 days	**9,016**	7,532
	59,038	80,851

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

Creditors, bills payables and accrued charges that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	USD	**GBP**	**EUR**	**NTD**	**JPY**	**CAD**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st December, 2012	**22,679**	**65**	**4,826**	**1,269**	**90**	**5,416**
As at 31st December, 2011	37,541	374	9,299	1,882	869	-

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSIONS

FINANCIAL RESULTS

During the year ended 31st December, 2012 ("the Period Under Review"), the Group recorded loss attributable to owners of the Company of about HK$21,570,000 compared to the loss attributable to owners of the Company of about HK$37,660,000 for the year ended 31st December, 2011 ("the Previous Period"). The Group's loss attributable to owners of the Company during the Period Under review was primarily due to fall in revenue of HK$223,648,000 from HK$606,422,000 in the Previous Period to HK$382,774,000 in the Period Under Review and a net change in fair value of HK$6,314,000 arose from the held-for trading investments in the listed securities. The performance of the Group is further reviewed and elaborated in the following sections.

The basic loss per share for the Period under Review was HK$5.06 cents compared to the basic loss per share of HK$8.83 cents for the Previous Period.

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

The revenue for the Period Under Review was about HK$223,648,000 or 37% less than the Previous Period. Lower revenue reported during the Period Under Review was mainly due to soft global demand on our equipment as a result of Euro-zone's debt crisis and economic slowdown in US. Since the economic crisis, consumers are more risk-averse and preferred to defer or cut down capital investments in dim economic outlook. This has directly reduced our reported revenue during the Period Under Review.

From the aspect of business segment, about 65% of the revenue was generated from PCB sector (the Previous Period: approximately 67%), approximately 34% came from surface finishing sector (the Previous Period: approximately 23%) and approximately 1% derived from solar cell sector (the Previous Period: approximately 10%). In term of the machines geographical installation base, the revenue composition during the Period under Review was 32% machines in PRC, 18% in Canada, 12% in Korea, 8 % in Taiwan, 7 % in United Kingdom, 6% in Germany, 5% in Scotland and 12% in rest of the world.

However, our costs control measures and restructuring exercises implemented since the economic crisis began have produced positive results. The improvement in production efficiency and sale of higher margin product mix have significantly increased the Group's gross profit margin from about 20% in Previous Period to 27% in the Period Under Review. During the Period Under Review, the operating costs was reduced from HK$131,339,000 during the Previous Period to HK$116,130,000.

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

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

The PCB business is prone to economic uncertainties and cyclical nature of the industry. The economic uncertainties on Euro-zone and uneasy access to credit lines globally have slow down customers spending on fixed asset investments in the Period under Review. Thus, during the period Under Review, the revenue in this business area dropped to HK$221,020,000 from HK$385,360,000 in Previous Period. The decline in our conventional PCB market Taiwan is the most significant as it has dropped by 85%.

Despite the challenges, the decline in Euro-zone business activity eased in January 2013 and on a surge among German firms have bolstered hope that 17-nation bloc has started 2013 on stronger footing. Thus, we believe that once the economic momentum on Euro-zone economy picking up, the demand for our equipment in this segment will recover gradually. This is because the emergence of mobile internet has continued to boost the demand of handheld computing devices such as tablets and smartphones. General consumers continue to purchase these devices as these electronic devices have become fashionable products and these up to date devices are necessary to meet higher data transmission speed and service quality.

Meanwhile, the launch of Window 8 might change the landscape of tablets business environment that dominated mainly by Apple and Samsung currently as it will draw more new players into existing manufacturers. PAL as a main player in PCB segment will definitely benefit from this as the new players will invest in capital equipment for their production.

Moving forward, the growth will continue to be driven by Asia/Pacific countries especially China. PAL having a strong global foot prints will continue to focus on research and development and work with its customer and chemical suppliers in developing advanced electroplating machine. In 2012, we have introduced our new electroplating equipment G5 to the market. We believe that the G5 will further strengthen PAL's position in PCB segment.

Electroplating Equipment-Surface Finishing ("SF") Sector

This sector is traded through our subsidiary PAL Surface Treatment Systems Ltd ("PSTS").

The revenue of the SF sector remains second largest source of income to the Group. However, it has decreased by 12% from HK$129,130,000 in the Previous Period to HK$114,340,000 for the Period under Review. The slide was mainly attributable to customers cutting back or deferring their capital investments amid gloomy economic outlook. However, the decline is relatively small compared to PCB segment as PAL's brand name, reputation and financial strength have established a strong profile in the industry particularly among the prominent European and American customers. Despite the weak market sentiment during the period under review, we continue to receive enquiries from prominent customers from mining, aerospace and automobile industries in US, Mexico and Middle East. In view that the Euro-zone debt's crisis is fading, we remain positive that SF revenue will pick up once the global economy recovers.

Electroplating Equipment - Photo Voltaic ("Solar") Sector

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

During the Period Under Review, the Solar panel prices have tumbled significantly, the gross profit margin has fallen to less than 10% from more than 30% in 2010 according to investment bank Maxim Group. Solar manufacturers have suffered from a global overcapacity in solar panel manufacturing and thinning margin. Coupled with reduced subsidies given by European and US governments, the manufacturers in the industry have stopped further capacity investments. As a result, the Group reported revenue for the segment has dropped sharply from HK$58,450,000 in Previous Period to HK$1,008,000 in the Period Under Review.

However, we will continue to focus and invest in this segment as we believe that this is just a temporarily setback. This is because China plans to ramp up its installed capacity for solar electricity this year, a move that could breathe new life into Chinese solar manufacturers suffering losses. China plans to increase its solar power capacity from 7 gigawatts in 2012 to 40 gigawatts in 2015. It is also forecasted that the global demand remaining strong for solar product during the next five years as the demand for a clean and renewable energy is an unavoidable. Continued government subsidies and increasing renewable energy demand will drive consumers to invest in the products.

However, we foresee that the global Solar panel market remains highly competitive. To succeed in this environment, more manufacturers would direct their attention to electroplating technology from electroless technology in order to cut down the production costs of Solar panel. The Group thereby remains positive that it would be able to regain its revenue in this segment subsequently as PAL has advanced electroplating technology in this segment.

Net Change in Fair Value of Held-For-Trading Investments

The Group has invested in held for trading investments. These investments represent equity securities listed in Hong Kong at market value. During the Period Under Review, a net change in fair value of HK$6,314,000 arose on the listed securities investment made by the Group due to the decline in value of the equity securities listed in Hong Kong.

Outlook

Moving forward, the Group continues to operate in challenging business environment with stiff competition, rising inflation and continuing Euro-zone debt crisis that might drag on the global economic recovery. However, with various countries' central banks continue to enact monetary easing measures, the risk of major economic meltdown or downturn is abating. The preliminary HSBC China Manufacturing Purchasing Managers Index rose to 51.9 in January 2013 indicates expansion from the previous month. Under this positive momentum and consumer sentiments, we are cautiously optimistic that customers would resume their investment plan once business sentiments improve.

Thus, PAL would continue to commit on product reengineering, research and development in next generation technology and costs reduction measures so that we are able to grab fruitful return and further strengthen our position in PCB, SF and Solar segments.

Consumer electronic products particularly smartphone and tablets remain as the most wanted gift and gadgets. The consumer electronics manufacturers continue to focus on innovation to meet consumer demand. When the economy turns around, consumers would spend more on these mobile devices. As such, we believe the PCB will regain its growth momentum when general economic environment improves.

According to Data Company Markit, the monthly gauge of activity in the Euro-zone manufacturing and services industries rose to 48.2 in January 2013, indicating the economic downturn has eased and a return to growth looks possible. This upbeat news will certainly benefit SF as SF major customers are mainly located in Europe and US. Hence, the SF business is expected to pick up when business sentiments in these regions improve.

As mentioned in our interim report, the development of the renewable energy sector remains the focus of the PRC's 12th Five Year Plan. The Chinese government would help to consolidate its Solar-products companies by trimming the overcapacity and making it easier for the weak companies in the industry to declare bankruptcy in order to secure a healthier growth for the industry. Thus, we believe that the Solar market in China will grow after consolidation as the Chinese government targeted to increase its solar capacity to 40 gigawatts by 2015. Moreover, Solar has more comparative advantages compared to other renewable energy as it has wider applications at end consumer level such as on computers and electric vehicles that are built around Solar technology. But the technology transition process from electroless to electroplating in order to cost down takes time. Thus, we do not foresee big revenue in the near future but remain cautiously optimistic that our investment will generate promising return in long run.

In October 2012, IMF expects the world economy to grow at 3.6% in 2013. The forecast rested on two crucial policy assumptions that European policy makers get Euro area crisis under control and policy makers in US take actions to tackle the "fiscal cliff". Failure to act on either issue would make the growth prospects far worse. Thus, in view that our business operating environments remain challenging in 2013, we would remain prudent and cautious in the management of our business.

PROPERTY DEVELOPMENT

PROPERTY RE-DEVELOPMENT PLAN

Reference is made to the Company's announcement issued on 22 August 2011 with respect to the agreement ("Agreement") entered into by a wholly-owned subsidiary of the Company with an independent third party ("Counter Party") in relation to a re-development plan ("Re-development") of two parcels of industrial land located in Bao An District, Shenzhen, the PRC, of the Group ("Land") from industrial land into residential properties for resale. Progress made on the Re-development Plan in accordance with the Agreement is updated below:-

(1) The Project Company was established by the Counter Party in August 2011.
(2) The Group has entered into a re-development contract ("Re-development Contract") and relocation compensation agreement ("Relocation Compensation Agreement") with the Project Company in September 2011.
(3) The Project Company has applied for re-development of the Land since September 2011. As the approval involves several departments, the application is still under processed.
(4) As of 31st December, 2012, the Group has received RMB40 million from the Counter Party as deposit for relocation compensation.
(5) The Project Company has conducted various market analysis for the benefit of defining preliminary development framework.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

As at 31st December, 2012, the Group had equity attributable to owners of the Company of approximately HK$265,065,000 (31st December, 2011: HK$281,809,000). There was no borrowing as at 31st December, 2012, as such the gearing ratio was nil (31st December, 2011: 2%). 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 equity holders of the Company.

As at 31st December, 2012, the Group had approximately HK$160,698,000 of cash on hand (31st December, 2011: HK$160,788,000).

As at 31st December, 2012, the Group pledged deposits of HK$1,000,000 (31st December, 2011: HK$9,215,000) to banks to secure banking facilities of approximately HK$75,290,000 (31st December, 2011: HK$71,415,000) to the Company. Out of the secured facilities available, the Group did not utilize the issuance of bank's guarantee under which customers retain right to claim refund of purchase deposits received by the Group as at 31st December, 2012 (31st December, 2011: HK$8,215,000). As at 31st December, 2012, the total bank borrowings was nil (31st December, 2011: HK$4,557,000) in relation to discounted export bills negotiated during the relevant period.

FINANCIAL REVIEW (CONTINUED)

Capital Structure, Liquidity and Financial Resources (Continued)

Most of the bank borrowing is charged at inter-bank offer rate plus a spread 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, Canadian dollars, Euro and Renminbi. However, in view of the anticipated currency appreciation in Renminbi, there will be certain risk associated with the material cost and overhead cost for the factories in China.

Contingent Liabilities

As at 31st December, 2012, the Company had guarantees of approximately HK$77,208,000 (31st December, 2011: HK$72,945,000) to banks in respect of banking facilities granted to subsidiaries of the Company. There was no borrowing as at 31st December, 2012 (31st December, 2011: HK$12,772,000).

Employee and Remuneration Policies

As at 31st December, 2012, the Group employs a total of 718 employees. Employees are remunerated based on performance, experience and industry practice. Performance related bonuses are granted on discretionary basis. Other employee benefits included fund, insurance and medical cover.

APPRECIATION

On behalf of the Board, I would like to thank all of our customers, shareholders, business associates and bankers for their trust and support to the Group. To all of our employees, I appreciate your hard work, dedication and commitment over the year.

FINAL DIVIDEND

The Board does not recommend payment of any final dividend for the year ended 31st December 2012 (2011: Nil).

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, 2012 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 a revised term of reference which is effective 1 March 2012 and 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 2012, the Audit Committee met twice considering the annual results of the Group for the financial year ended 31st December, 2012 and the interim results of the Group for the 6 months ended 30th June, 2012, assessing any changes in accounting policies and practices, major judgmental areas and compliance with applicable legal and accounting requirements and standards, discussing with the auditor of the Company on internal control and the re-appointment of the external auditor.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") is composed of three Directors, namely Messrs. Nam Kwok Lun, Kwan Wang Wai Alan and Ng Chi Kin David. The principal functions of the Remuneration Committee include determining the policy for the remuneration of executive directors, assessing performance of executive directors and approving the terms of executive directors' service contracts; making recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and to place recommendations before the Board concerning the total remuneration and/or benefits granted to the Directors from time to time.

NOMINATON COMMITTEE

The nomination committee of the Company (the "Nomination Committee") is established on 27 March 2012 and is composed of three Directors, namely Messrs. Lam Kwok Hing, Cheung Kin Wai and Ng Chi Kin David. The principal functions of the Nomination Committee include reviewing the structure, size and composition of the Board, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying and nominating qualified individuals for appointment as additional directors or to fill Board vacancies as and when they arise.

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, 2012.

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, 2012.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st December, 2012 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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, 2012 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, 25th March, 2013

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.