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, 2014

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, 2014 ("Period Under Review") together with last year's comparative figures are as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2014

	NOTES	**2014** *HK$'000*	2013 *HK$'000*
Revenue	6	**558,316**	470,839
Cost of sales		**(444,822)**	(339,550)
Gross profit		**113,494**	131,289
Other gains and losses	7	**(530)**	(3,261)
Bad debts recovered		**1,618**	1,873
Other income		**4,732**	4,180
Selling and distribution costs		**(21,891)**	(21,971)
Administrative expenses		**(83,598)**	(92,903)
Allowance for bad and doubtful debts		**(378)**	(8,895)
Finance costs	8	**(40)**	(41)
Share of results of associates		**916**	1,429
Profit before taxation		**14,323**	11,700
Taxation	9	**(2,962)**	(2,917)
Profit for the year		**11,361**	8,783

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 2014

	NOTE	2014 HK$'000	2013 HK$'000
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations			
- subsidiaries		**(1,395)**	5,794
- associate		**209**	(124)
Other comprehensive (expense) income for the year		**(1,186)**	5,670
Total comprehensive income for the year		**10,175**	14,453
Profit for the year attributable to:			
Owners of the Company		**9,892**	8,607
Non-controlling interests		**1,469**	176
		11,361	8,783
Total comprehensive income for the year attributable to:			
Owners of the Company		**8,672**	14,294
Non-controlling interests		**1,503**	159
		10,175	14,453
Earnings per share	11		
Basic		**HK2.32 cents**	HK2.02 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER, 2014

	NOTES	**2014** **HK$'000**	2013 HK$'000
Non-current assets			
Property, plant and equipment		**74,108**	81,064
Prepaid lease payments		**50,098**	8,237
Interests in associates		**4,497**	3,790
Loans receivable		**-**	706
Prepayment		**20,288**	-
		148,991	93,797
Current assets			
Inventories		**49,399**	41,053
Amounts due from customers for contract work		**75,199**	52,983
Loans receivable		**40,076**	3,042
Debtors, bills receivables and prepayments	12	**121,070**	104,644
Prepaid lease payments		**1,392**	311
Held-for-trading investments		**16,563**	17,347
Amounts due from associates		**1,356**	1,335
Taxation recoverable		**4**	6
Pledged bank deposits		**19,656**	19,002
Bank balances and cash		**94,563**	221,651
		419,278	461,374
Current liabilities			
Creditors, bills payables and accrued charges	13	**186,150**	192,296
Deposit received for re-development of the land		**50,705**	50,880
Warranty provision		**21,916**	16,307
Amounts due to customers for contract work		**7,309**	2,744
Amounts due to associates		**23**	26
Bank borrowings		**-**	543
Taxation payable		**1,862**	1,515
		267,965	264,311
Net current assets		**151,313**	197,063
Total assets less current liabilities		**300,304**	290,860

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31ST DECEMBER, 2014

	2014	2013
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**4,265**	4,265
Reserves	**284,972**	276,300
Equity attributable to owners of the Company	**289,237**	280,565
Non-controlling interests	**1,892**	1,589
Total equity	**291,129**	282,154
Non-current liabilities		
Warranty provision	**4,860**	4,391
Deferred taxation	**4,315**	4,315
	9,175	8,706
	300,304	290,860

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 HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) – INT 21	Levies

The application of these new and revised 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.

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

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

HKFRS 9	Financial instruments[1]
HKFRS 14	Regulatory deferral accounts[3]
HKFRS 15	Revenue from contracts with customers[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[3]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[3]
Amendments to HKAS 1	Disclosure initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[3]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[4]
Amendments to HKAS 27	Equity method in separate financial statements[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 - 2012 cycle[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 - 2013 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 - 2014 cycle[3]

1 Effective for annual periods beginning on or after 1st January, 2018.

2 Effective for annual periods beginning on or after 1st January, 2017.

3 Effective for annual periods beginning on or after 1st January, 2016.

4 Effective for annual periods beginning on or after 1st July, 2014.

5 Effective for annual periods beginning on or after 1st July, 2014 with limited exceptions.

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

HKFRS 15 *Revenue from Contracts with Customers*

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements.

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, at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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, 2014, the carrying amount of loans receivable was approximately HK$40,076,000 (2013: approximately HK$3,748,000) with no allowance for bad and doubtful debts, trade debtors was approximately HK$102,490,000 (2013: approximately HK$85,141,000) (net of allowance for bad and doubtful debts of approximately HK$33,309,000 (2013: approximately HK$34,864,000)), other debtors was approximately HK$10,262,000 (2013: approximately HK$10,858,000) (net of allowance for bad and doubtful debts of approximately HK$5,852,000 (2013: approximately HK$5,852,000)) and amounts due from associates was approximately HK$1,356,000 (2013: approximately HK$1,335,000) (net of allowance for bad and doubtful debts of approximately HK$2,332,000 (2013: approximately HK$2,332,000)).

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 the 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, 2014, the carrying amount of provision of warranties was approximately HK$26,776,000 (2013: approximately HK$20,698,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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, 2014, the carrying amount of inventories was approximately HK$49,399,000 (2013: approximately HK$41,053,000). Reversal of allowance for slow moving inventories of approximately HK$519,000 was made during the year ended 31st December, 2014 (2013: allowance for slow moving inventories of approximately HK$437,000).

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 debts, which include 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 electroplating machinery business for the years ended 31st December, 2014 and 2013 analysed by principal activity is as follows:

	2014	2013
	HK$'000	*HK$'000*
Construction contracts in respect of design, manufacturing and sale of custom-built electroplating machinery and other industrial machinery	**494,987**	392,491
Sale of spare parts of electroplating machinery	**27,248**	30,033
Provision of services – repairs and maintenance	**36,081**	48,315
	558,316	470,839

Segment information

Segment revenue and results

The Group has one operating segment being the electroplating equipment segment which contributes the entire revenue of the Group. Reconciliation of the operating segment profit to profit before taxation is as follows:

	Electroplating equipment	
	2014	2013
	HK$'000	*HK$'000*
Segment revenue	**558,316**	470,839
Segment profit	**24,533**	18,834
Intra-group management fee charged to operating segment	**5,844**	5,189
Other income	**3,543**	3,377
Central corporate expenses	**(19,553)**	(18,401)
Bad debts recovered from an associate	**-**	338
Other gain or losses	**(44)**	2,363
Profit before taxation	**14,323**	11,700

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 profit represents the gross profit of the electroplating equipment segment, other income and expenses directly attributable to the segment activity (including intra-group management fee) and share of results of associate but excluding interest income from loans receivable, unallocated interest income, dividend income and sundry income, central corporate expenses including auditor's remuneration and director's emoluments, bad debts recovered from an associate, net change in fair value of held-for-trading investments and unallocated net exchange gain or loss. 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:

	2014	2013
	HK$'000	*HK$'000*
Segment assets – electroplating equipment segment	**327,320**	286,912
Property, plant and equipment (for corporate)	**1,683**	1,700
Prepaid lease payments (for corporate)	**43,281**	-
Prepayment	**20,288**	-
Loans receivable	**40,076**	3,748
Other debtors, deposits and prepayments (for corporate)	**3,479**	3,470
Held-for-trading investments	**16,563**	17,347
Amounts due from associates	**1,356**	1,335
Taxation recoverable	**4**	6
Pledged bank deposits	**19,656**	19,002
Bank balances and cash	**94,563**	221,651
Consolidated total assets	**568,269**	555,171
Segment liabilities – electroplating equipment segment	**217,094**	213,887
Other creditors and accrued charges (for corporate)	**53,846**	52,731
Amounts due to associates	**23**	26
Deferred taxation	**4,315**	4,315
Bank borrowings	**-**	543
Taxation payable	**1,862**	1,515
Consolidated total liabilities	**277,140**	273,017

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 consolidated total assets are allocated to electroplating equipment operating segment other than prepayment, 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 consolidated total liabilities are allocated to electroplating equipment operating segment 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	
	2014	2013
	HK$'000	*HK$'000*
Amounts included in the measure of segment result or segment assets:		
Allowance for bad and doubtful trade debtors	**378**	8,895
(Reversal of) allowance for slow moving inventories	**(519)**	437
Bad debts recovered	**1,618**	1,535
Share of results of associates	**916**	1,429
Loss on disposal of property, plant and equipment	**47**	18
Depreciation	**7,600**	8,164
Release of prepaid lease payments	**309**	311
Provision for warranty	**21,819**	13,058
Finance costs	**40**	41
Capital additions	**891**	535

	Unallocated	
	2014	2013
	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:		
Bad debts recovered from an associate	**-**	338
Capital additions	**43,414**	110
Depreciation	**101**	81
Interest income	**3,038**	3,123

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

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

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

	2014	2013
	HK$'000	*HK$'000*
PRC	**274,778**	245,723
Europe	**30,349**	9,947
Taiwan	**61,767**	13,087
Canada	**711**	11,438
Saudi Arabia	**8,109**	7,543
Hong Kong	**2,698**	34,059
Singapore	**6,200**	6,670
The United States of America	**9,568**	14,587
Australia	**7,434**	-
Germany	**-**	14,148
Korea	**14,335**	79,159
Russia	**28,830**	18,807
Thailand	**58,815**	13,024
Philippines	**38,780**	-
Vietnam	**11,105**	-
Others	**4,837**	2,647
	558,316	470,839

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

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**26,086**	27,758
PRC	**118,042**	61,032
Others	**4,863**	4,301
	148,991	93,091

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:

	2014	2013
	HK$'000	*HK$'000*
Customer A	**78,873**	-
Customer B	**58,815**	-
Customer C	**N/A**[1]	100,052
Customer D	**N/A**[1]	50,807

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

7. OTHER GAINS AND LOSSES

	2014	2013
	HK$'000	*HK$'000*
Net change in fair value of held-for-trading investments	**136**	2,433
Net exchange loss	**(532)**	(5,544)
Loss on disposal of property, plant and equipment	**(47)**	(18)
Other gains and losses	**(87)**	(132)
	(530)	(3,261)

8. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**40**	41

9. TAXATION

The taxation charge comprises:

	2014	2013
	HK$'000	*HK$'000*
Overseas taxation		
Charge for the year	**2,962**	2,917

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 losses 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.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation	**14,323**	11,700
Taxation at the income tax rate of 16.5%	**2,363**	1,931
Tax effect of share of results of associates	**(151)**	(236)
Tax effect of expenses not deductible for tax purpose	**638**	534
Tax effect of income not taxable for tax purpose	**(171)**	(461)
Tax effect of tax losses not recognised	**5,282**	4,006
Tax effect of deductible temporary differences not recognised	**112**	72
Tax effect of utilisation of tax losses previously not recognised	**(5,613)**	(3,902)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**502**	973
Taxation for the year	**2,962**	2,917

10. PROFIT FOR THE YEAR

	2014 HK$'000	2013 HK$'000
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**1,375**	1,370
Cost of inventories recognised as expenses (including reversal of allowance for slow moving inventories of approximately HK$519,000 (2013: allowance for slow moving inventories of approximately HK$437,000))	**324,742**	221,370
Depreciation of property, plant and equipment	**7,701**	8,245
Release of prepaid lease payments	**309**	311
Operating lease payments in respect of rented premises	**3,617**	2,449
Staff costs:		
Directors' fee	**180**	180
Directors' salaries, other benefits and performance related incentive payments	**7,630**	7,200
Salaries and allowances	**98,902**	96,918
Contributions to retirement contributions schemes	**2,266**	2,518
	108,978	106,816
Interest income from loans receivable	**(170)**	(320)
Interest income from an associate	**-**	(154)
Investment income		
Interest earned on bank deposits	**(3,198)**	(2,830)
Other interest income from overdue trade debtors	**-**	(115)
Dividend income from - Available-for-sale investments (unlisted equity securities)	**(454)**	(115)
	(3,652)	(3,060)

11. EARNINGS PER SHARE

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

	2014 *HK$'000*	2013 *HK$'000*
The Group's profit for the year attributable to owners of the Company	**9,892**	8,607
Number of ordinary shares	**426,463,400**	426,463,400

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

12. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS

	2014 *HK$'000*	2013 *HK$'000*
Trade debtors and bills receivables	**135,799**	120,005
Less: Allowance for bad and doubtful debts	**(33,309)**	(34,864)
	102,490	85,141
Other debtors and prepayments	**18,580**	19,503
	121,070	104,644

As at 31st December, 2014, the trade debtors balance included trade debts due from associates of approximately HK$9,168,000 (2013: approximately HK$7,057,000).

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.

12. 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:

	2014	2013
	HK$'000	*HK$'000*
1 – 60 days	**91,868**	72,795
61 – 120 days	**3,857**	7,651
121 – 180 days	**2,303**	566
Over 180 days	**4,462**	4,129
	102,490	85,141

As at 31st December, 2014, the trade debtors and bills receivables of approximately HK$91,868,000 (2013: approximately HK$72,795,000) were neither past due nor impaired. No significant counterparty default was noted in the past.

As at 31st December, 2014, trade debtors of approximately HK$10,622,000 (2013: approximately HK$12,346,000) 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 nil (2013: HK$543,000) were discounted for bank borrowings with full recourse. The average age of these trade receivables is 67 days (2013: 66 days) as at 31st December, 2014.

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

	2014	2013
	HK$'000	*HK$'000*
Past due by:		
1 – 60 days	**3,857**	7,651
61 – 120 days	**2,303**	566
121 – 180 days	**2,804**	2,831
Over 180 days	**1,658**	1,298
	10,622	12,346

12. DEBTORS, BILLS RECEIVABLES AND PREPAYMENTS (CONTINUED)

Movement in the allowance for bad and doubtful debts

	2014	2013
	HK$'000	*HK$'000*
Balance at beginning of the year	**34,864**	31,984
Currency realignment	**1**	7
Allowance made on trade debtors	**378**	8,895
Bad debts recovered	**(1,618)**	(1,535)
Written off as against trade debtors	**(316)**	(4,487)
Balance at end of the year	**33,309**	34,864

Included in the allowance for doubtful debts of approximately HK$33,309,000 (2013: approximately HK$34,864,000) 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.

The Group received nil (2013: HK$115,000) as interest from overdue trade debtors.

13. CREDITORS, BILLS PAYABLES AND ACCRUED CHARGES

	2014	2013
	HK$'000	*HK$'000*
Trade creditors	**119,178**	111,288
Bills payables	**1,977**	6,268
Accrued staff costs	**18,541**	17,476
Commission payables to sales agents	**12,253**	25,232
Other accrued charges	**27,847**	28,359
Advances received from customers for contract work	**915**	370
Advances received from customers for services	**5,117**	3,235
Consideration payable	**254**	-
Retirement benefit obligations	**68**	68
	186,150	192,296

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:

	2014	2013
	HK$'000	*HK$'000*
0 – 60 days	**56,266**	60,672
61 – 120 days	**38,522**	32,792
121 – 180 days	**16,565**	16,081
Over 180 days	**9,802**	8,011
	121,155	117,556

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

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSIONS

REVIEW

During the year ended 31st December, 2014 ("the Period Under Review"), the Group recorded profit attributable to owners of the Company of approximately HK$9,892,000 compared to the profit attributable to owners of the Company of approximately HK$8,607,000 for the year ended 31st December, 2013 ("the Previous Period"), approximately 15% increase. The improvement of Group's profit attributable to owners of the Company during the Period Under Review was primarily due to increase in revenue of approximately HK$87,477,000 from approximately HK$470,839,000 in the Previous Period to approximately HK$558,316,000 in the Period Under Review.

The basic earnings per share for the Period Under Review was HK2.32 cents compared to the basic earnings per share of HK2.02 cents for the Previous Period.

FINANCIAL REVIEW

Revenue

The revenue for the Period Under Review was approximately HK$558,316,000 or approximately 18.6% more than the Previous Period. Higher revenue reported during the Period Under Review was mainly due to soft recovery of investment confidence which was mainly streamed from Taiwanese and South East Asian customers.

In terms of business segment, approximately 80% of the revenue was generated from PCB sector (the Previous Period: approximately 76%), approximately 20% came from surface finishing sector (the Previous Period: approximately 24%) and approximately 1% derived from solar cell sector (the Previous Period: 0.2%).

In terms of the machines geographical installation base, the revenue composition during the Period Under Review was 49% machine values were installed in PRC (52% in the Previous Period), 11% in Taiwan (3% in the Previous Period), 11% in Thailand (3% in the Previous Period), 7% in Philippines (nil in the Previous Period), 5% in Russia (4% in the Previous Period), 5% in Europe (2% in the Previous Period), 3% in Korea (17% in the Previous Period), and 9% in rest of the world.

Gross Profit

The price pressure from customers has significantly decreased the Group's gross profit margin from approximately 27.9% in Previous Period to 20.3% in the Period Under Review.

Other income

The other income mainly represented bank interest received.

Selling and Distribution Costs

The selling and distribution costs represented exhibition and marketing expenses, product and public liability insurance cost and the respective personnel cost on the sales team. These costs are relatively fixed.

Administrative expenses

The administrative expenses for the Period Under Review was 10% lower than the Previous Period. Given the price pressure imposed by our customers, we exerted enormous effort in controlling our operating costs in order to drive an improved net profit after taxation. Part of the savings came from reduced headcount since replacements were only be filled in late 2014 and early 2015 when some of the staff have already left before mid-2014. As a benchmark, the average inflation rates in China and Hong Kong for 2014 were 1.5%[1] and 3.5%[2] respectively and the minimum wages in Shenzhen has increased by 13% in the Period Under Review from RMB1,600 per month to RMB 1,808 per month.

Prepaid lease payments under non-current assets

The increase in prepaid lease payments represent the bare land acquired during the Period Under Review. For more details, please refer to section named "Major acquisition" stated below.

Prepayment under non-current assets

The increase in prepayment under non-current assets represented the final payment of RMB16,000,000 which was deposited to an escow agent pursuant to the sales and purchase agreement dated 29th October, 2014. For more details, please refer to section named "Major acquisition" stated below.

Loans receivable under current assets

The increase in loans receivable represents the entrusted loan of RMB30,000,000 created pursuant to the sales and purchase agreement dated 29th October, 2014. For more details, please refer to section named "Major acquisition" stated below.

[1] Inflation rate in China is reported by the National Bureau of Statistics of China.
[2] Inflation rate in Hong Kong is reported by Census and Statistics Department of Hong Kong.

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

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

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

During the Period Under Review, we saw our customers' willingness to invest but on average very mild, nothing compared to that of several years ago. Investment mainly came from Taiwanese customers who set up plants in China and from South East Asian customers who expanded their production capacity at home countries. The Korean market was badly hurt, especially those depend on Samsung orders. Orders from European customers were greatly reduced as well.

During the Period Under Review, the revenue in this business area increased from HK$289,133,000 in Previous Period to HK$393,753,000, representing 36% increase. Out of this total revenue, nearly 54% were shipments made to PRC.

Three key drivers driving the revenue growth for the Period Under Review were the sharp increase in the smartphone sales, arrival of big data era and a moderate increase in the sales of automobiles.

In last year, the growth in smartphone sales had positive contribution to our financial performance. According to a report issued by Gartner[3] in March 2015, the smartphone sales surpassed one billion units in year 2014.

Table 1: Top Five Smartphone Vendors, Shipments, and Market Share, 2014

Vendor	2013 Shipment Units	2013 Market Share	2014 Shipment Unit	2014 Market Share	Year-over-Year Change
Samsung	299,795	30.9%	307,597	24.7%	2.6%
Apple	150,786	15.5%	191,426	15.4%	27%
Lenovo*	57,424	5.9%	81,416	6.5%	41.8%
Huawei	46,609	4.8%	68,081	5.5%	46.1%
LG	46,432	4.8%	57,661	4.6%	24.2%
Others	368,675	38.0%	538,710	43.3%	46.1%
Total	**969,721**	**100.0%**	**1,244,890**	**100.0%**	**28.4%**

*The results of Lenovo include sales of mobile phones by Lenovo and Motorola.

[3] Gartner Inc (NYSE: IT) is an information technology research and advisory company.

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

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

It was very obvious that the growth in smartphone was focus mainly on low- to mid-end smartphone. As can be seen from above table, the annual growth rate was 28.4% on average when the high end phones including Samsung and Apple accounted for 17.6% only of the overall growth, the mid-range phones including Huawei, LG and Lenovo accounted for 20.6% of the overall growth and the low end smartphones which was represented mainly under the category "others" accounted for 61.8% of the overall growth. Major brands grouped under the category "others" includes Google, Mircosoft, Coolpad and Xiaomi.

Google has recently launched massive marketing campaign to sell its low-end smartphone Android One to India, Southern Asia and South Eastern Asia. Microsoft instead targets at China by promoting various models with different sizes to Chinese cellphone manufacturers. It also aims to take a bigger market share by launching Window 10 free. All of these are telling us that the growth of low-end smartphones is just beginning. The quick emerge of low-end smartphone had inevitably exerted price pressure to our customers who had exerted the same on us for the Period Under Review. Our customers are MNCs who are renowned for assembly high-end smartphone. In order to maintain a reasonable competitive edge, our customer groups had on one hand requested improved design from us to deliver a better equipment which can plate thinner or thicker lines on their PCBs but on the other hands had purchased this better equipment at a reduced cost. In order to meet with the challenge, we have tightened our internal control on our cost of goods sold as well as to keep working on design improvement to maintain our price competitiveness.

Apart from the increase in smartphone sales, the arrival of big data era also plays a part in the growing demand of PCB. Nowadays, everything is online and everyone is attached to network on daily basis. This brought in network related investment including data centers and network servers. The PCBs used in server are normally thick board which are one of our hero products.

The moderate increase in sales of automobiles had also helped on our increased revenue. Below is a statistical report issued by Scotiabank, one of the leading financial services providers in over 55 countries.

Table 2: International Car Sales Outlook (millions of units)

Vendor	2012	2013	2014	2015f
North America	17.11	18.33	19.42	20.04
Western Europe	11.76	11.55	12.1	12.59
Eastern Europe	4.14	4.08	3.79	3.6
Asia*	27.25	29.98	31.69	33.75
South America	4.72	4.75	4.15	3.94
Total	**64.98**	**68.69**	**71.15**	**73.92**

* Car sales across Asia, except China, are being held back by on-going double-digit declines in both Japan and Thailand.

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

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

Today's vehicles are becoming more and more reliant on electronic components. Different systems of a vehicle that are being developed and produced today are equipped with electronic systems which aid the mechanical parts in performing effectively. Fuel injection systems for cars rely on electronic components to provide the engine with right amount of fuel. Likewise, safety systems also rely heavily on electronic circuits to provide optimum safety to the passengers of a car in the event of a crash.

According to an analysis report of IC Insight, a semiconductor material research company in USA, IC used in the automobile field will enjoy the highest growth rate when comparing to other electronic products. It is forecasted that the compound growth for automobile ICs from 2014 to 2019 is about 6.5% and the expected growth rate in 2015 is 8%. Nevertheless, the overall share of automobile ICs in the IC market is still fairly low.

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 has decreased by 4% from approximately HK$102,358,000 in the Previous Period to approximately HK$98,289,000 for the Period Under Review.

For the Period Under Review, we experienced quite a change of investment sentiment. In early 2014, everyone was looking at a global GDP of 3-4%. In mid-2014, news was all about the Greece financial crisis and the possibility of hard landing of Chinese economy. Then in late 2014, all economic indicators reviewed that global growth in 2014 was lower than initially expected, continuing a pattern of disappointing outturns over the past several years. Growth picked up only marginally in 2014, to 2.6 percent, from 2.5 percent in 2013. Beneath these headline numbers, increasingly divergent trends are at work in major economies. Disappointing growth in other developing countries in 2014 reflected weak external demand, but also domestic policy tightening, political uncertainties and supply-side constraints.

This weak investment sentiment has affected our sales in surface finishing sector. Most of our SF customers are big multinational companies from US and Europe. Especially given the weak economic situation in Europe, the several expansion projects discussed at early 2014 were put on hold. Also, as reported in the interim report, some projects were declined by us because we could not seek agreement from potential customers on amending their contract terms.

Electroplating Equipment - Photo Voltaic ("PV" or "Solar") Sector

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

Sales to PV sector in the Period Under Review has increased by 195% from approximately HK$1,000,000 in the Previous Period to approximately HK$2,945,000 for the Period Under Review.

The cost of generating power from renewable energy sources has reached parity or dropped below the cost of fossil fuels in many parts of the world, according to a report from the International Renewable Energy Agency[4], particularly when accounting for externalities like local pollution, environmental damage and ill health. Solar panel prices have dropped 75% since 2009 and those prices are expected to continue to drop. Residential solar systems are now as much as 70% cheaper to install than in 2008. We expect the PV installation as well as the upstream supplier, meaning our customers, will remain rebust in the coming year.

Outlook

Global economy is still struggling to gain momentum as many high-income countries continue to grapple with legacies of the global financial crisis and emerging economies are less dynamic than in the past.

While activity in the United States and the United Kingdom has gathered momentum as labor markets heal and monetary policy remains extremely accommodative, the recovery has been sputtering in the Euro Area and Japan as legacies of the financial crisis linger, intertwined with structured bottlenecks. China, meanwhile, is undergoing a carefully managed slowdown.

Several major forces are driving the global outlook: soft commodity prices, persistently low interest rate but increasingly divergent monetary policies across major economies and weak world trade. In particular, the sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to growth in oil-importing developing economies. However, it will dampen growth prospects for oil-exporting counties, with significant regional repercussions.

We felt this year is a more difficult than last year. Visibility of the demand side of the global market is weak while the risk of facing a higher running cost is on the high side. Under these circumstances, our customers are definitely more prudent as far as capacity expansion is concerned. We are determined to overcome this headwind and will try our best endeavor to maintain a reasonable revenue in the coming year.

[4] International Renewable Energy Agency issued a report named "Renewable Power Generation Costs in 2014" in January 2015

PROPERTY DEVELOPMENT

PROPERTY RE-DEVELOPMENT PLAN

Reference is made to the Company's announcements issued (i) on 22nd 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 ("Lung Hua Land") from industrial land into residential properties for resale; (ii) on 25th October, 2013 with respect to the supplemental agreement signed on even date and (iii) on 16th October, 2014 with respect to the preliminary approval granted.

Progress made on the Re-development Plan in chronological order 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 Lung Hua Land in September 2011. In view of the fact that the application was not completed within the agreed timeframe due to force majeure for the reason of the policy changes more particularly described in the Company's announcement dated 25 October 2013, the Group has entered into a supplemental agreement with the Counter Party on 25 October 2013 to extend the completion of tasks associated with the Agreement for another 12 months.

(4) On 16th October, 2014, a notice was published by Urban Planning Land and Resources Commission of Shenzhen Municipality to confirm the re-development of the Lung Hua Land having been listed under "2014 Lot 4 Town re-development formulated plan of Shenzhen – Draft Plan".

(5) The final approval was obtained from the Shenzhen Municipal Government on 19th December, 2014.

The Counter Party is now discussing with relevant responsible bodies of the PRC government on the terms of the "Sales of land use rights contract".

As of 31st December, 2014, the Group has received RMB40 million from the Counter Party as deposit for relocation compensation. This deposit was included in the current liabilities. The Lung Hua Land and existing buildings erected thereon are currently used by the Group for production purpose. Nevertheless, the Group is required to make plan to relocate the office and plants. Under the terms of the Agreement, the wholly owned subsidiary of the Group who signed the Agreement shall be responsible for demolishing all existing buildings and vacating from the Lung Hua Land within six months upon receiving (i) another payment of RMB 10 million from the Counter Party and (ii) written notice from the Counter Party to vacate from the Lung Hua Land.

MAJOR ACQUISITION

The Company has through its wholly owned subsidiary Gold Beat Investments Limited (the "Purchaser") entered into a sales and purchase agreement with Trillion Ocean Ltd (the "Vendor") dated 29th October, 2014 and a supplemental agreement dated 4th December, 2014 (collectively refer to as the "Sales and Purchase Agreement") to acquire Yu Man Ltd, whose only investment is Zhongba Watches and Electronics Development (Shenzhen) Co Ltd (the "Zhongba"), a PRC company (the "Acquisition"). For details, shareholders are advised to refer to the Company's announcements dated 29th October, 2014, 30th October, 2014, 28th November, 2014, 1st December, 2014 and 4th December, 2014. A circular is under preparation and will be despatched to the shareholders in due course. No general meeting will be convened to approve the terms of, and the transactions contemplated, under the Sale and Purchase Agreement as the relevant shareholders including Medusa Group Limited, Karfun Investments Ltd and Mr. Lam Kwok Hing, controlling an aggregate of 253,991,167 Shares, representing approximately 59.56% of the issued share capital of the Company, have already provided a written shareholders' approval on 30th October, 2014, pursuant to Rule 14.44 of the Listing Rules.

The Acquisition contemplated under the Sale and Purchase Agreement was completed on 18th December, 2014.

Although the Purchaser has acquired the equity interest in Yu Man Ltd, the essence of the Acquisition is to acquire a bare land and its remaining cash balances held by Zhongba. As such, the Acquisition is therefore accounted for as "assets acquisition" and not as an acquisition of "business" as defined in accordance with Hong Kong Financial Reporting Standard 3 (Revised) "Business Combinations" issued by the Hong Kong Institute of Certified Public Accountants by the Group.

The total consideration paid by the Purchaser was RMB 85,620,909 of which RMB16,000,000 is kept by a Hong Kong solicitor firm in the capacity as an escow agent. According to the terms of the Agreement, in the event that the Vendor fails to fulfil its respective obligations under the Sales and Purchaser Agreement, the Purchaser reserves its right to declare to terminate or rescind the Sale and Purchase Agreement without any liability on its part. Upon termination of the Sale and Purchase Agreement, all payments made will be refunded to the Purchaser in full within five business days upon the issuance of notice from the Purchaser for the termination and the entire issued share capital of Yu Man Ltd shall then be transferred back to the Vendor at the original consideration price that has been paid by the Purchaser to the Vendor pursuant to the Sale and Purchase Agreement.

MAJOR ACQUISITION (Continued)

The principal assets of Zhongba are four parcels of bare land located at north of Songbai Road, Gongmin Subdistrict Office, Guangming New District, Shenzhen, PRC (the “Project Land”). According to the existing land grant contract, the Project Land originally comprises a site area of 34,367.94 square metres on which Zhongba can build a maximum of 40,000 square metres gross floor area for industrial use. In 2010, a total site area of 10,170 square metres had been resumed by the local government for construction of public road. Upon the completion of the resumption, the original parcel of land was therefore re-divided into four smaller parcels of land of a total site area of 24,197.28 square metres, with the terms being reflected in the existing land grant contract. The Vendor undertakes to discuss with the Shenzhen Bureau of Land Resources and procure Zhongba and the Shenzhen Bureau of Land Resources to sign the New Land Grant Contract so that the PRC Project Company can (i) build up to a maximum 40,488 square metres floor area for industrial use and 2,000 square metres for commercial use by utilizing a site area of 14,164.7 square metres; (ii) retain a further site area of 9,368.6 square metres for future expansion and (iii) negotiate a compensation from the local government for the land that had been resumed in 2010. The term under the existing land grant contract is 50 years. As of the date of this announcement, the Vendor is working diligently towards meeting the aforementioned undertakings.

The Project Land is situated in Shenzhen within the area of Gongmin Sub-district Office, the PRC, one of the areas with the highest growth potential. As the Lung Hua Land is also situated in Shenzhen, in the event that the Company decides to relocate its existing factories and plants from the Lung Hua Land to the Project Land, it will not trigger any severance payment obligations on the part of the Company to its employees according to the relevant PRC labor laws. Further, the Project Land is located in an area where good transportation infrastructures are in place as the Project Land can be directly accessed by various highways roads and Shenzhen Metro Line No. 6. Shenzhen Metro Line No. 6 is currently under construction and is expected to complete in 2018 tentatively. As such, mobility is relatively convenient for both staff and goods of the Group. The Directors believe that the Acquisition will allow the Company to implement a relocation of the existing factories and plants located at the Lung Hua Land with the minimal time and costs without incurring any adverse disruption to the business and manufacturing process of the Group.

Based on the foregoing, the Directors consider that the Acquisition is entered into on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

As at 31st December, 2014, the Group had equity attributable to owners of the Company of approximately HK$289,237,000 (31st December, 2013: HK$280,565,000). The gearing ratio was nil (31st December, 2013: 0.2%). The gearing ratio as at 31st December 2013 is calculated by dividing the aggregate amount of bank borrowings of approximately HK$543,000 and other interest-bearing loans over the amount of equity attributable to the equity holders of the Company.

As at 31st December, 2014, the Group had approximately HK$114,219,000 of cash on hand (31st December, 2013: HK$240,653,000).

As at 31st December, 2014, the Group pledged deposits of HK$19,656,000 (31st December, 2013: HK$19,002,000) to banks to secure banking facilities of approximately HK$92,210,000 (31st December, 2013: HK$92,210,000) to the Company. Out of the secured facilities available, the Group has utilized (i) approximately HK$18,656,000 for 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, 2014 (31st December, 2013: HK$18,002,000), (ii) approximately HK$6,998,000 for the issuance of import letters of credit to suppliers (31st December, 2013: HK$6,912,000) and (iii) nil utilization in relation to discounted export bills (31 December 2013 : HK$543,000).

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.

Due to strengthening of US dollars, the Group may face possible price pressure from local competitors in Japan, Taiwan and Europe.

Contingent Liabilities

As at 31 December 2014, the Company had guarantees of approximately HK$83,920,000 (31 December 2013: HK$83,920,000) to banks in respect of banking facilities granted to subsidiaries of the Company. The amount utilized by the subsidiaries was approximately HK$25,654,000 (31 December, 2013: HK$25,457,000).

Employee and Remuneration Policies

As at 31st December, 2014, the Group employs a total of 661 employees, including 36 employees hired by our associated company. 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.

FINAL DIVIDEND

The Board does not recommend payment of any final dividend for the year ended 31st December, 2014 (2013: nil).

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.

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 Corporate Governance Code (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, 2014 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 1st 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 2014, the Audit Committee met twice considering the annual results of the Group for the financial year ended 31st December, 2014 and the interim results of the Group for the 6 months ended 30th June, 2014, 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 27th 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, 2014.

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, 2014.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st December, 2014 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, 2014 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, 30th March, 2015

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.